Secretary Jeffrey R. Beckham
Office of Policy & Management

CONNECTICUT

May 19, 2025

Senator MD Rahman, Co-Chair of the Planning and Development Committee
Legislative Office Building, Room 3300
Hartford, CT 06106

Representative Eleni Kavros DeGraw, Co-Chair of the Planning and Development Committee
Legislative Office Building, Room 2103
Hartford, CT 06106

Senator Martha Marx, Co-Chair of the Housing Committee
Legislative Office Building, Room 2200
Hartford, CT 06106

Representative Antonio Felipe, Co-Chair of the Housing Committee
Legislative Office Building, Room 1801
Hartford, CT 06106

Dear Senators and Representatives,

Pursuant to Public Act 23-207, Section 18, the Office of Policy and Management (OPM) is pleased to transmit the final report of the CT Fair Share Housing Study conducted by ECONorthwest, OPM's contracted consultant. The attached final report includes preferred methodologies for determining regional housing needs and municipal fair share allocations in Connecticut based on input from stakeholders and technical advisors. It also includes policy considerations around implementation strategies.

Previous study deliverables can be found at the CT Fair Share Housing Study project website.
Please contact Rebecca Augur at (860) 418-6343 or Rebecca.Augur@ct.gov if you have any questions.

Sincerely,

Jeffrey R. Beckham
Secretary

Cc: Frederick J. Jortner, House Clerk
Michael Jefferson, Senate Clerk
Stephanie D'Ambrose, OLR
Deborah Schander, State Librarian
Katie Stargardter, Undersecretary, OPM
Rebecca Augur, OPM
Phillip Shattuck, OPM

450 Capitol Avenue
Hartford, CT 06106
Phone: 860-418-6500

ECOnorthwest

MAY 2025

Connecticut Fair Share Housing Study

Housing Needs Methodology & Allocation

Prepared for: Connecticut Office of Policy and Management

ECOnorthwest
920 SW 6th Ave • Suite 1400 • Portland, OR 97204 • 503-222-6060

Acknowledgments

ECOnorthwest prepared this report with support from the guidance and input of numerous stakeholders, legislators, state staff, and research partners. Local context, input, and feedback came from representatives from the regional councils of governments; experts in land use, housing planning, and housing development; and affordable housing practitioners and advocates.

In addition, a technical panel provided expert insight into fair share and housing needs analysis methodologies to inform the work. Panelists include Dr. Jenny Scheutz, VP for Infrastructure and Housing at Arnold Ventures; Dr. Yonah Freemark Lead, Practice Area on Fair Housing, Land Use, and Transportation at the Urban Institute; Noah Kazis, JD, Assistant Professor of Law at the University of Michigan Law School; Dr. Nicholas Marantz, Associate Professor and Faculty Director at the Urban and Regional Planning Program at the University of California, Irvine; and David Garcia, Policy Director for Up for Growth.

Staff at ECOnorthwest prepared this report based on their general knowledge of housing market economics and supply constraints. ECOnorthwest staff contributing to this study included Michael Wilkerson, Ph.D., Madeline Miller, Justin Sherrill, Celia Beauchamp, and James Kim. ECOnorthwest also relied on information derived from government agencies, private statistical services, the reports of others, and interviews of individuals.

For more information about this report, please contact:

Michael Wilkerson, Project Director
wilkerson@econw.com

Madeline Miller, Senior Project Manager
miller@econw.com

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Executive Summary

Connecticut has the most constrained housing market in the country—measured as the number of units available for year-round occupancy per household, which is effectively a proxy for the vacancy rate. It is one of the most segregated states in the country, with minority households largely concentrated in the biggest cities and excluded from high-priced suburbs.[1] Connecticut's housing stock is older than most states, and infrastructure is aging and at capacity in many locations, limiting the ability to grow, renovate, and bring housing into modern standards. Many parts of the state see high demand for housing from neighboring states—particularly southwest Connecticut, which acts as a bedroom community for the New York City region—while many eastern towns along the coast and destinations in the northwest have a high number of vacation and second homes. Connecticut's overall population is aging and in decline, as many younger families cannot afford to move into existing housing, while seniors wishing to downsize lack housing choice in size and variety.

These are just a few of the challenges facing the state as it grapples with a housing affordability crisis and worsening market fundamentals that limit its ability to plan for and eventually produce a range of new units to relieve price pressure.

A Road Map for Connecticut

Recognizing these challenges, the Connecticut General Assembly passed Public Act 23-207 in 2023 directing the Connecticut Office of Policy and Management (OPM) to develop this study to make recommendations about potential methodologies that can be used to calculate a Fair Share Housing Allocation. ECOnorthwest, in consultation with a panel of technical experts,[2] local stakeholders, and legislative input, completed this study on behalf of OPM.

This study builds on prior work to estimate housing needs in Connecticut and is intended to act as a road map for policymakers and advocates to aid in the design and

This study finds that Connecticut needs **between 120,000 and 380,000 housing units** depending on the methodology used to estimate housing need.

It could reasonably allocate these units from regions to municipalities based on a **variety of local conditions**, such as local land values (proxy for property tax revenues), local incomes and poverty rates, the variety of housing in existing stock, the local rate of recent housing production, local housing affordability conditions, and access to jobs.

[1] Urbanomics. 2024. "Connecticut Housing and Segregation Study." https://portal.ct.gov/datapolicy/knowledge-base/articles/housing-and-segregation-study.

[2] Panelists include Dr. Jenny Scheutz, VP for Infrastructure and Housing at Arnold Ventures; Dr. Yonah Freemark Lead, Practice Area on Fair Housing, Land Use, and Transportation at the Urban Institute; Noah Kazis, JD, Assistant Professor of Law at the University of Michigan Law School; Dr. Nicholas Marantz, Associate Professor and Faculty Director at the Urban and Regional Planning Program at the University of California, Irvine; and David Garcia, Policy Director for Up for Growth.

potential implementation of a fair share or housing needs analysis program. Many states facing similar housing challenges have fair share policies or housing needs analyses in place (evaluated in chapter 3), requiring local plans to demonstrate progress and accountability. These programs and plans have taken years to develop and refine, and they typically come with a broad range of incentives, regulations, and accountability mechanisms. How the state might implement and monitor a fair share policy is foundational to any methodology and must be considered at every step of the program development process.

The first step is developing a methodology that is grounded in the local housing market context, for which there are many choices and potential approaches. It involves two parts: estimating housing needs (chapter 4) and allocating needs using a fair share approach from regions to municipalities (chapter 5). This report outlines two approaches to each step and compares these alternatives to a Baseline Approach that was prescribed in the legislation. Building on the range of choices used in other states (chapter 3), approaches are developed that are contextualized and grounded in conditions specific to Connecticut. These methodological choices were developed in consultation with a panel of national experts, the regional councils of government (COGs), affordable housing advocates, planners, developers, and legislators.

Potential programs describing a housing needs methodology should fit into existing housing and land use policies in Connecticut, these are explored in a housing policy landscape in chapter 2. The report concludes with a description of the preferred approach and considerations on how the state could implement a new program (chapter 6). Numerous technical appendices offer tables with results (Appendices A and B), details on the methodological approaches (Appendices C, D, and E), and the engagement with stakeholders, legislators, and technical experts (Appendices F, G, and H).

How Connecticut might implement and monitor a fair share policy is foundational to any methodology and must be considered at every step of the program development process.

Taken together, this report details:

1) how a fair share or housing needs methodology can help improve the disparate housing outcomes in Connecticut,
2) the variety of methods that can estimate and allocate housing needs, and
3) a preferred approach offered for Connecticut, and
4) important implementation considerations that will help achieve policy priorities.

Range of Estimates of Total Need

Estimates of statewide housing need focus solely on current need or the units Connecticut needs to offer more affordable housing options for different ranges of household incomes across the state. Projections of future need aren't included in the Baseline Approach or

Alternative Approaches to Estimating Needs due to the absence of an official, regularly produced statewide population forecast and the lack of expected population growth.

The Baseline Approach to Estimating Needs is replicated as prescribed in the legislation, and two Alternative Approaches to Estimating Needs were created that include 1) an estimate of housing underproduction, 2) an estimate of housing units needed for people experiencing homelessness, and 3) a structural mismatch resulting from households occupying units that are unaffordable or overly affordable to them. The two alternatives differ only in the income ranges targeted in the structural mismatch (see Figure 1).

Figure 1. Graphic Illustrating Two Alternative Approaches to Estimating Need

Estimates of total statewide housing need range from 120,000 to 380,000 units depending on the selected methodology and the focus on different target household income levels.

- **The Baseline Approach to Estimating Needs: 133,136 units statewide.** Focuses on needs for households earning less than 30% of Area Median Income (AMI) who are severely cost burdened (spending more than 50% of their income on housing).
- **Alternative Approach 1 to Estimating Needs: 119,916 units statewide.** Considers current housing underproduction and a focus on housing needs for households earning less than 80% of AMI.
- **Alternative Approach 2 to Estimating Needs: 379,996 units statewide.** Considers current housing underproduction and identifies housing needs for all income levels.

There are multiple approaches to estimating housing needs that prioritize different policy considerations. These three approaches capture a broad range of methods for identifying target households and act as bookends for policymakers when considering how many housing units Connecticut needs to house its current population.

[3] Area Median Incomes (AMIs) are set by the U.S. Department of Housing and Urban Development (HUD) and estimate the median income for families of four. In 2023, the year for most of the data used in this report, the statewide AMI was $119,500 (it is $124,600 in 2025). AMIs are typically reported as a percentage of the median and reflect what the family earns in a year. AMIs are adjusted up for larger family sizes and down for smaller family sizes. In 2023, 30% of AMI was $35,800 for a family of four, 50% of AMI was $59,600, and 80% of AMI was $94,650.

The preferred approach is Alternative Approach 1 to Estimating Needs, which estimates that Connecticut currently needs approximately 120,000 housing units with a focus on households earning less than 80% of AMI. This approach was preferred by the technical expert panel, stakeholders, and legislators alike, recognizing that it targets need for the most vulnerable households. This estimate of need is more closely aligned with other estimates of need, including the baseline approach, as the state, regional COGs, and municipalities to consider how to plan for these housing units (chapter 6 describes implementation considerations in detail).

Range of Variables to Allocate Need

After estimating housing need statewide and regionally, the next step is to allocate units from regions to municipalities. Several states have developed methodologies that use number of policy variables and weights that can be evaluated for applicability in the context of the Connecticut housing market (summarized in chapter 3). The allocation methodology should reflect existing policies and land use planning requirements, local market conditions, and policy priorities for where and how to plan for housing growth.

The Baseline Approach to Allocating Needs is replicated and updated with current data as required by the legislative directive. This report develops two Alternative Approaches to Allocating Need. These three approaches capture a broad range of methods for allocating housing need across jurisdictions that reflect a range of potential policy goals and different local conditions.

Resulting unit allocations for each municipality and approach are shown in Appendices A and B. Local Allocation results are only shown for the preferred needs approach of 120,000 units estimated in Alternative Approach 1 to Estimating Need.

Alternative B to Allocating Need was determined as the preferred approach, highlighting housing production trends, affordability trends, and access to jobs as the primary ways to distribute needed housing to municipalities.

Baseline Approach to Allocating Needs:

1. Uses an equally weighted distribution of:
    a. Municipality's share of the region's valuation of taxable property
    b. Municipality's share of the regional household income differences
    c. Municipality's poverty rate
    d. The share of the municipality's housing stock that is multifamily housing
2. Removes highest-poverty municipalities and reallocates to remaining municipalities
3. Caps units at 20% of the share of existing stock

Alternative Approach A to Allocating Needs:

1. Same allocation variables as the Baseline Approach to Allocating Needs but does not remove the highest-poverty municipalities and does not cap housing units at 20% of the existing stock

Alternative Approach B to Allocating Needs:

1. Uses an equally weighted distribution of:
    a. Municipality's share of units needed to reach parity with regional share of housing stock affordable to renters earning less than 50% of AMI
    b. Municipality's share of units needed to reach parity with regional total housing production over the last ten years
    c. Municipality's share of units based on its share of statewide job accessibility

When allocating units to local municipalities, Alternative Approach B was determined as the preferred approach. This approach is similar to approaches used in other states, using policy priorities that target areas that have recently underproduced housing and those that have fewer units affordable to low-income households than their region—two important considerations that help to more equitably distribute housing. Including access to jobs aligns housing and land use planning efforts with other state goals surrounding economic and workforce development,[4] protecting open spaces,[5] and reductions in greenhouse gas emissions through vehicle miles traveled.[6]

Commensurate with these allocation options are implementation considerations—how would the state ensure that municipalities have the funding, infrastructure, zoning, and demand-side supports to help them meet their allocations over a desired time horizon.

Challenges and Considerations for Connecticut

The development of alternative fair share allocation methodologies in Connecticut presented several technical and policy challenges that shaped this study. First, unlike states with active housing production goals or rapid population growth, Connecticut lacks an official regularly updated population forecast and, where there are forecasts, expects minimal growth—shifting the focus of analysis toward addressing current need. This

Supply based programs, like a fair share or housing needs analysis program, will need demand-side interventions too, such as rent support, down payment assistance, or housing stability services.

[4] Connecticut Workforce Strategy. 2025. "Work Forward: Pathways for Growth Governor's Workforce Strategic Plan." https://portal.ct.gov/gwc/strategy.
[5] Connecticut Department of Energy & Environmental Protection. 2025. "Open Space in Connecticut." https://portal.ct.gov/DEEP/Open-Space/Open-Space.
[6] Connecticut Department of Transportation. 2025. "2030 VMT Goals and Strategies." https://portal.ct.gov/dot/pp_bureau/2030-vmt-goals-and-strategies?language=en_US.

included evaluating data gaps, adjusting for second-home concentrations, and resolving geographic mismatches between data sources and planning region boundaries.

In addition, the policy considerations identified through technical panel discussions and stakeholder engagement were critical to the development of the alternative methodologies. The panel advised that housing need methodologies must reflect both historical patterns of exclusion and contemporary constraints on housing production. Key priorities that emerged include avoiding the further concentration of poverty, aligning unit distribution with access to jobs and transportation, and recognizing disparities in past housing investment. Several stakeholders expressed concern that applying rigid caps or excluding high-poverty municipalities from allocations could undermine housing goals or reinforce disinvestment. Focus group participants emphasized that local absorption capacity should be addressed through implementation timelines—not through artificial constraints in the allocation formula.

Together, these insights informed the study's two alternative approaches, each grounded in clear technical logic and designed to reflect Connecticut's housing market realities, legal context, and policy priorities. These alternatives were developed through an iterative analysis and dialogue with national experts, local leaders, and state staff. The various methodologies presented in this report offer a transparent, adaptable framework for advancing housing equity and planning effectiveness statewide.

Key priorities that emerged include avoiding the further concentration of poverty, aligning unit distribution with access to jobs and transportation, and recognizing disparities in past housing investment.

1. Introduction

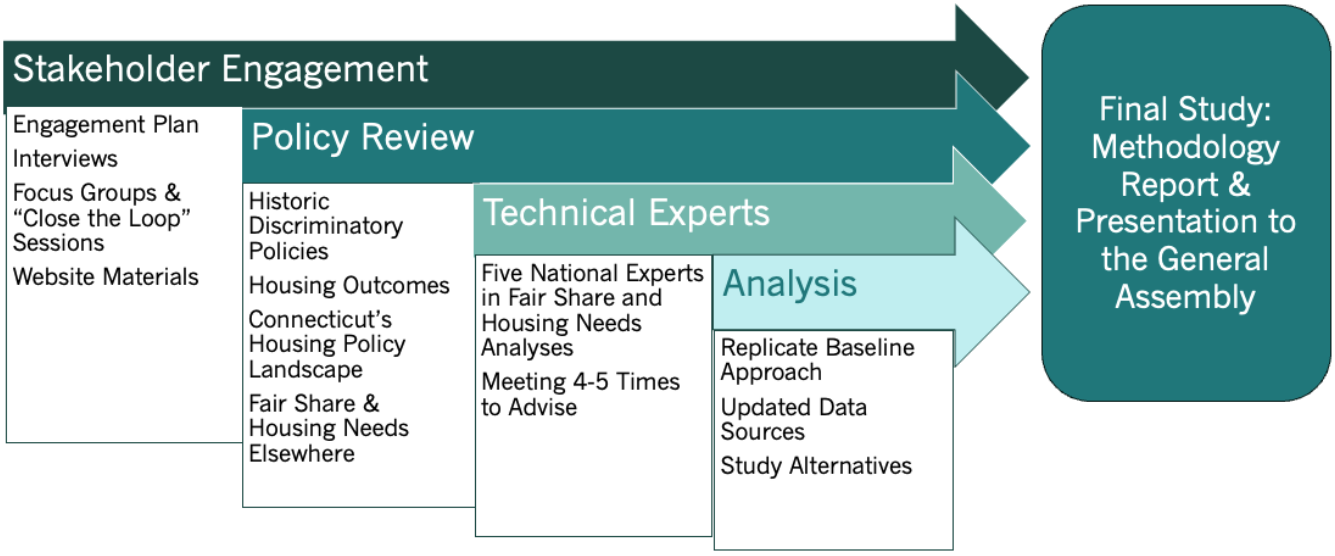
Legislative Direction

Public Act 23-207 directed the Connecticut Office of Policy and Management (OPM) to develop a study and provide the Connecticut General Assembly with methodology recommendations for calculating a Fair Share Housing Allocation. ECOnorthwest, in consultation with a panel of technical experts, local stakeholders, and legislative input, completed this study on behalf of OPM.

Study Process

This study began in June 2024 and included stakeholder interviews and focus groups, a review of existing policies in Connecticut, a review of best practices in statewide fair share and housing needs analysis policy elsewhere, a review of historic discriminatory housing policies and housing outcomes in Connecticut today, an update of a "baseline approach," and the development of two alternative approaches to estimating and allocating housing need. A project website maintained by OPM kept the public apprised of developments over time.

Figure 2. Connecticut Fair Share Housing Study Process



Connecticut's Constrained Housing Market

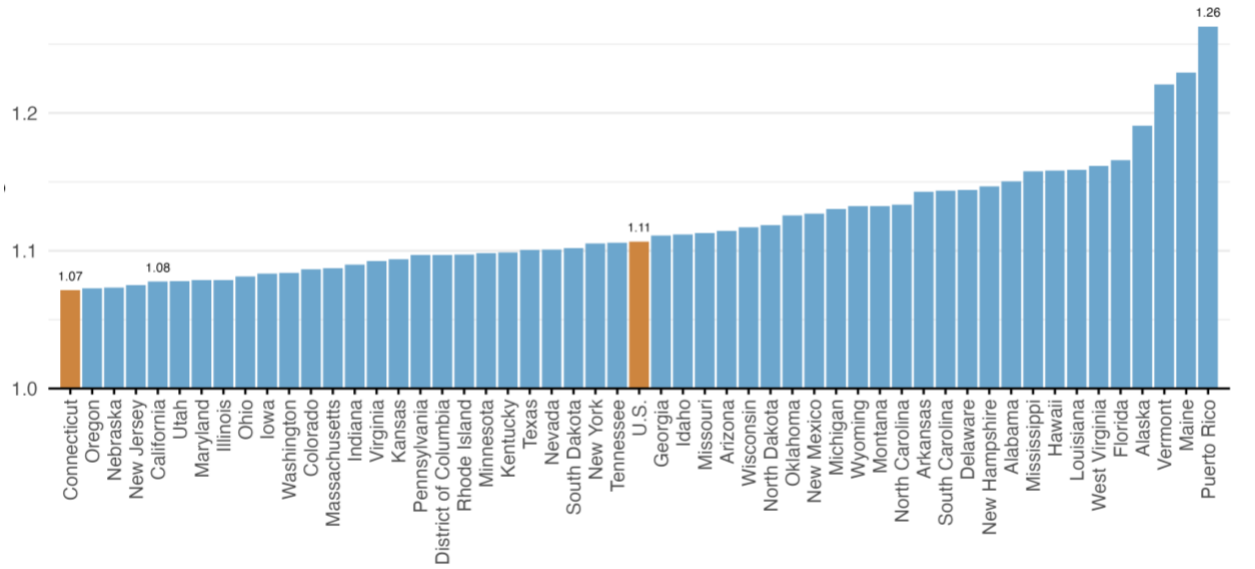
The Connecticut General Assembly sought further information on fair share housing methodologies as a potential option to improve disparate housing outcomes across the state and across certain communities. Housing and household stability sit at the center of many social determinants of health, such as positive childhood outcomes, job access,

health outcomes, economic mobility, and wealth generation.[7] Connecticut has one of the most constrained housing markets in the country and needs more housing production to ease the symptoms of undersupply: cost burdening,[8] racial and economic segregation,[9] household migration[10] (including into homeownership and wealth building),[11] and housing stability and homelessness.[12] Developing a fair share housing program or housing needs analysis program would be a critical step in shaping policies that address Connecticut's housing shortage and expand access to affordable homes.

When looking at the number of housing units available for all households, Connecticut has the lowest ratio of available units, making it one of the most constrained housing markets of any state in the country (see Figure 3). Nationally, the housing stock exceeds the number of households by roughly 11%, providing a cushion that enables household formation and market mobility. In contrast, Connecticut only has a 7% cushion, creating high demand and competition for all types of housing. This underproduction hits households with lower incomes the hardest, as they have the fewest choices of housing that meets their needs.

Figure 3. Ratio of Housing Units per Household, Nationally, 2023

Source: American Community Survey 1-year data, 2023



[7] Chetty, Raj, and Nathaniel Hendren. 2018. "The Impacts of Neighborhoods on Intergenerational Mobility I: Childhood Exposure Effects." *Quarterly Journal of Economics* 133 (3): 1107-162. opportunityinsights.org/paper/neighborhoods/.

[8] Quigley, John M., and Steven Raphael. 2001. "The Economics of Homelessness: The Evidence from North America." *European Journal of Housing Policy* 1 (3): 323-336.
U.S. Government Accountability Office. 2020. "Better HUD Oversight of Data Collection Could Improve Estimates of Homeless Population." GAO-20-433. https://www.gao.gov/products/gao-20-433.

[9] Oregon Housing Needs Analysis Recommendations Report. 2022. Technical Appendix (analysis conducted for census tracts in Portland Metro Region).

[10] Spader, Jonathan. 2024. "Has Housing Filtering Stalled? Heterogeneous Outcomes in the American Housing Survey, 1985–2021." *Housing Policy Debate* 35 (1): 1–23. https://doi.org/10.1080/10511482.2023.2298256

[11] Greene, Bryan. 2022. "Solve Underproduction First: Closing the White vs. Black Wealth Gap." Essay in *Up for Growth Housing Underproduction Report*: 25-27.

[12] Quigley and Raphael. 2001.
U.S. Government Accountability Office. 2020.

This ratio varies regionally across the state, with some regions seeing ratios slightly above the national average (see Figure 4). However, when second and vacation homes are removed from the year-round housing supply, the housing stock ratio falls to 1.05 statewide and every region drops below the national average (see Figure 5).

Figure 4. Ratio of Housing Units per Household by Region 2023

Source: American Community Survey 5-year data, 2023

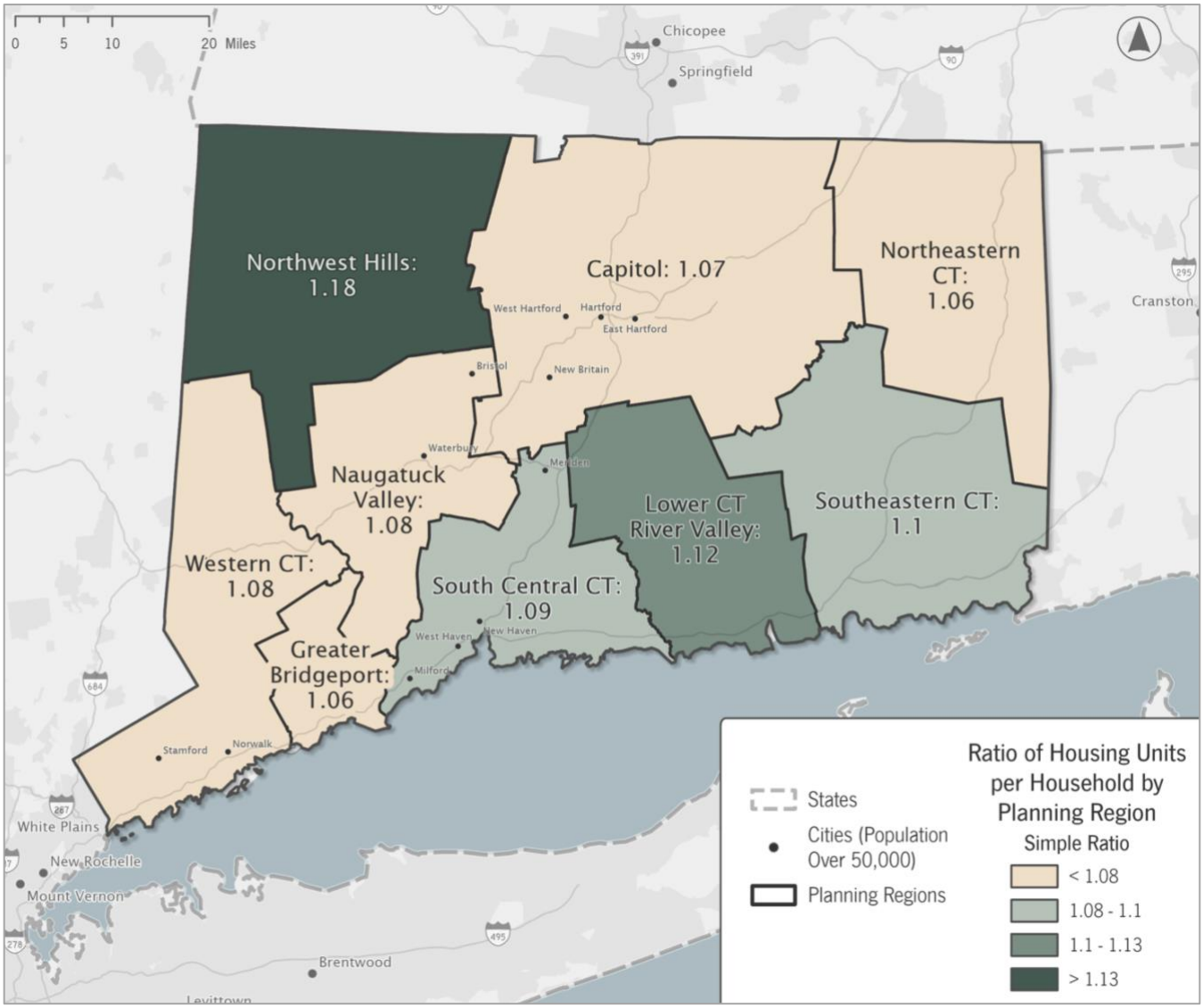
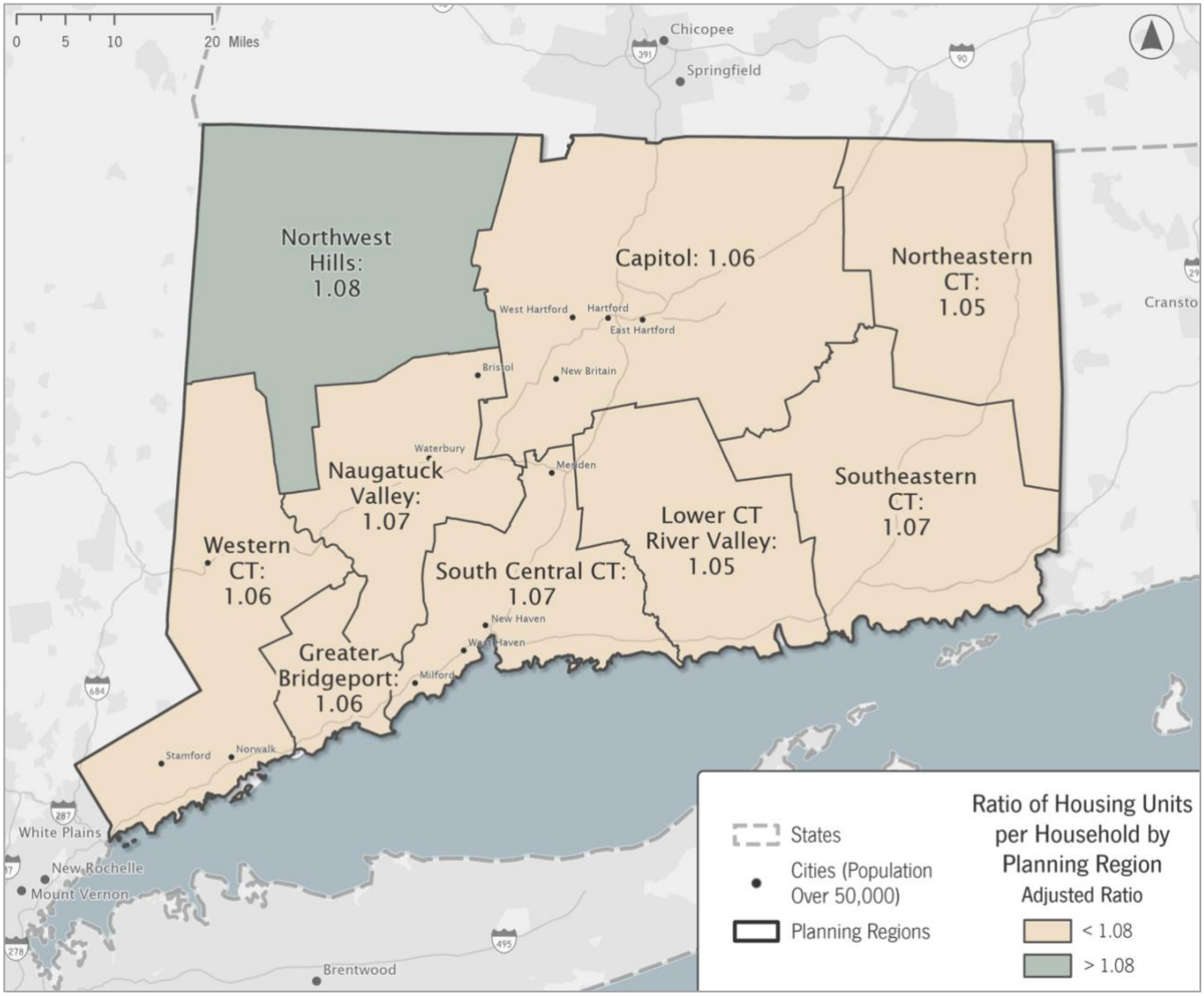


Figure 5. Adjusted Ratio of Housing Units per Household Excluding Second and Vacation Homes by Region 2023

Source: American Community Survey 5-year data, 2023



Housing underproduction and constrained housing market conditions are tied to several market outcomes, including:

- Tight housing markets with lower rates of downward filtering[13]
- Rising rates of homelessness due to price escalation and declining vacancies[14]
- Racial and ethnic disparities in homeownership[15]
- Economic and racial segregation[16]

[13] Spader, Jonathan. 2024.
[14] Quigley and Raphael. 2001.
U.S. Government Accountability Office, 2020.
[15] Greene, Brian. 2022.
[16] Oregon Housing Needs Analysis Recommendations Report. 2022.

In undersupplied markets, households face steep competition for limited options that meet their needs in terms of size, location, amenities, and price. Higher-income households typically have more options and often outbid others in home purchases or rental applications—leaving lower-income households with fewer choices that meet their needs.

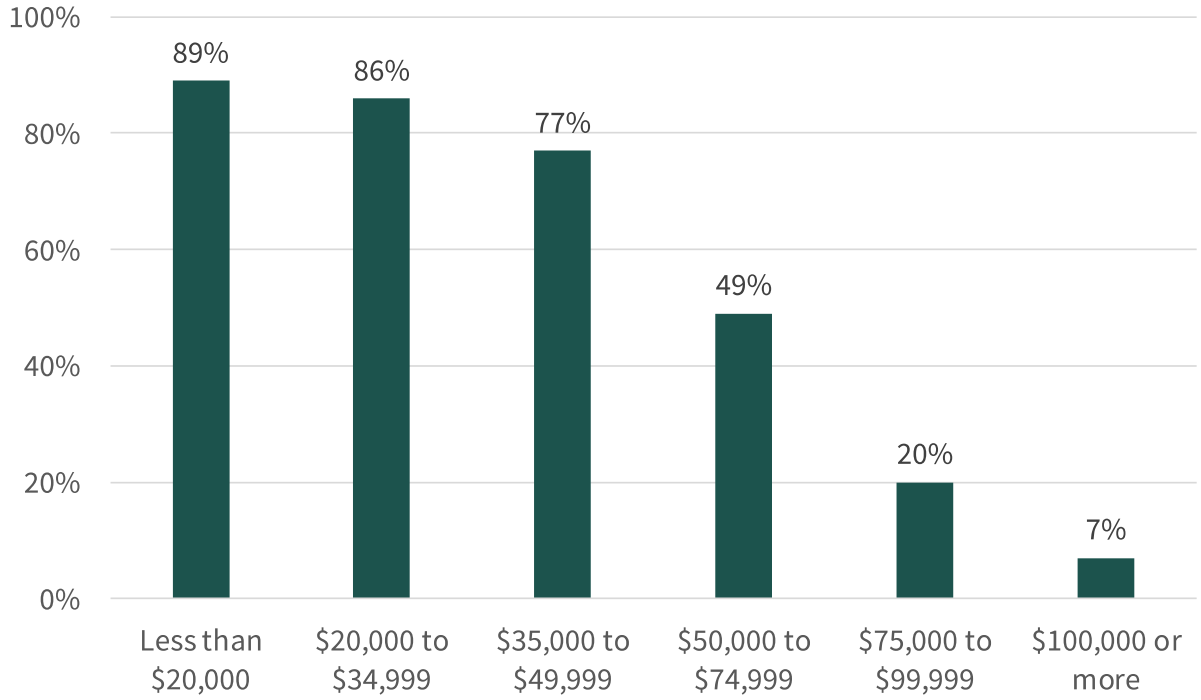
In addition, many marginalized households face discrimination based on race and ethnicity, family status, source of income (such as vouchers), sexual orientation, or disability.[17] When there are too few housing units in a market to begin with, historically marginalized households face even fewer choices and may sacrifice location, amenities, or housing quality (e.g., unsafe or unhealthy housing) to save costs.

Cost burdening, which occurs when households spend more than 30% of their gross income on housing, is a housing outcome that policymakers pay close attention to.[18] Cost burdening has been linked to housing instability and negative social outcomes, such as homelessness, increased parental stress, reduced educational outcomes for children, and behavioral problems in children.[19] It is more important for lower-income households who may have insufficient budgets to pay for necessities after paying rent.

Statewide, roughly 50% of Connecticut's renters were cost burdened (see Figure 6). According to 2023 Census data, rates of cost burdening vary by location, with as many as 60% of renter households in Hartford experiencing cost burdening, 59% in Bridgeport, 56% in New Haven, 52% in Stamford, and 29% in Norwalk. Rates also vary by race and ethnicity, with Black and Hispanic households experiencing greater cost-burdening rates (58% each) than white households (50%) according to 2022 Census data.

[17] Each of these types of discrimination are listed in the 2022 Fair Housing Trends Report from the National Fair Housing Alliance, but there are many other scholarly articles about individual types of housing discrimination.
[18] The U.S. Department of Housing & Urban Development (HUD) considers housing to be affordable when a household pays less than 30% of its gross income on housing costs; paying more than 30% makes the household cost burdened.
[19] Hess, Chris, Gregg Colburn, Ryan Allen, and Kyle Crowder. 2024. "Cumulative housing cost burden exposures and disadvantages to children's well-being and health." *Social Science Research* 119 (102984). https://doi.org/10.1016/j.ssresearch.2024.102984.

Figure 6. Statewide Renter Cost Burdening by Income Level, 2023
Source: Census American Community Survey (ACS), 2023 1-year sample



Increasing housing production is a long-term solution for cost burdening, but because new production typically comes in at the high end of the housing market, it will not have a meaningful effect on the households with the lowest incomes. However, new supply is critical to household mobility and self-sorting, which can alleviate price pressure and competition in the market.[20] Supply-based programs, like a fair share or housing needs analysis program, will need demand-side interventions too, such as rent support, down payment assistance, or housing stability services. These implementation considerations are evaluated in chapter 6.

[20] Spader, Jonathan. 2024.

2. Connecticut's Existing Housing Policies

Connecticut does not have an official adopted policy, methodology, or program to estimate statewide housing need or fair share housing need. Any fair share housing program—both the methodology and implementation considerations—will need to fit into Connecticut's existing statewide housing policies and the context surrounding housing and land use planning in the state.

Land Use and Housing Planning in Connecticut

The following entities' policies influence housing and land use planning and development in Connecticut.

- **The Connecticut State Department of Housing** is the lead agency for all aspects of housing policy and planning, with a primary responsibility for promoting affordable housing opportunities. The Department budget was $110 million for FY24-25 with 26 authorized full-time positions.[21]
- **The Connecticut Housing Finance Agency** is a quasi-governmental agency that is self-funded and facilitates the provision of regulated affordable housing for low- and moderate-income residents.
- **OPM** oversees the submission of each municipality's Affordable Housing Plan, which is required under Connecticut General Statutes (CGS) Section 8-30j (described below). The plans must be submitted every five years and must specify how the locality will increase the number of affordable housing units in its jurisdiction.
- **OPM** also has responsibilities relating to the coordination of land and resources and the state's plan of conservation and development. The office coordinates efforts across other state agencies and provides resources to revitalize and enhance Connecticut neighborhoods and cities, among other responsibilities.
- **The Connecticut General Assembly** writes the laws that the state agencies and municipalities must follow, including over local zoning. The General Assembly has great influence over land use and housing policies. It can adopt or change policies and can fund studies and programs at state agencies.
- **Councils of Government (COGs**) play an important role in shaping the policies surrounding land use and housing for their regions. As Connecticut does not have county-level governments, the COGs take on some regional housing planning efforts.

[21] This excludes funds appropriated from the American Rescue Plan Act (ARPA), from Connecticut Office of Policy and Management, "Governor Lamont's February 8, 2023, Budget Proposal For the FY 2024 – FY 2025 Biennium," portal.ct.gov/-/media/opm/budget/2024_2025_biennial_budget/budget_webpage/govbudget_2024-25_final-web-version.pdf.

A review of several COGs' housing needs assessments can be found in a memorandum of research and discovery published on the project website in fall 2024.

- **Local planning and zoning commissions** implement the statewide policies surrounding land use. Zoning has direct influence over the locations, the types, and the amount of housing that can be built.

Statewide Housing Policies

This section describes several statewide requirements that municipalities must follow regarding housing planning and affordable housing development.

Affordable Housing Plans

In 2017, the General Assembly passed CGS Section 8-30j, which requires all municipalities to submit an Affordable Housing Plan (AHP) to OPM every five years, outlining strategies they will adopt to increase the number of affordable housing developments. The law also requires jurisdictions to "regularly review and maintain" the plan. While the law lacks detail in what these plans should include, the Department of Housing prepared a guidebook with suggestions on how these plans should be conducted and what aspects they should include.[22] However, the law does not include any consequences for failure to submit, and as of June 2024, 11 of Connecticut's 169 towns had not submitted plans—two years after the initial deadline.[23]

In 2023, the Commission on Connecticut's Development and Future offered legislative recommendations with additional changes to municipal AHP requirements, including more provisions on zoning, design standards, permitting and filing processes, and funding for more diverse housing types.[24]

Affordable Housing Land Use Appeals Procedure

In 1989, the Connecticut General Assembly passed a statewide Affordable Housing Land Use Appeals Procedure, commonly referred to as "Section 8-30g" for its statute number. This policy requires local planning and zoning agencies to prove that a denial of an affordable housing development is needed to protect public health or safety, that those needs outweigh

[22] Connecticut Department of Housing. 2020. "Planning for Affordability in Connecticut: Affordable Housing Plan and Process Guidebook." https://portal.ct.gov/-/media/doh/ahpp-guidebook_rpa_120120.pdf.

[23] Putterman, Alex. 2024. "Two years after deadline, these 11 CT towns still haven't submitted affordable housing plans." *CT Insider*, June 2. https://www.ctinsider.com/news/article/connecticut-towns-affordable-housing-plans-19482091.php

[24] Hollister, Tim. 2023. "Commission on Connecticut's Future and Development: Report of the Affordable Housing Plans Working Group," https://www.cga.ct.gov/pd/tfs/20210610_Commission%20on%20Connecticut's%20Development%20and%20Future/Municipal%20Affordable%20Housing%20Plans/Report%20of%20the%20Affordable%20Housing%20Plans%20Working%20Group.pdf

the need for the affordable housing, and that public health or safety cannot be protected by making reasonable changes to the project.[25] [26] While most land use appeals require a developer to prove that the jurisdiction acted illegally, this program places the burden of proof on the jurisdiction to demonstrate that the denial was appropriate and necessary.[27]

In Connecticut, development override appeals are reviewed by the judicial system, not a state agency. Developers can use the appeals process when less than 10% of a jurisdiction's housing stock qualifies as affordable as mandated by the state, and if the jurisdiction has not qualified for a moratorium on the appeals process.

- Affordable units under 8-30g are defined as either:
  - Assisted housing: units that received government assistance to build or renovate, or units that have occupants receiving government assistance;
  - Set-aside developments: units that have development set-asides where, for 40+ years, at least 15% of the units are restricted to households earning less than 60% of the area median income (or state median income, whichever is lower) and at least 15% of the units are restricted to households earning less than 80% of the income limits.
- A jurisdiction can qualify for a moratorium on the appeals procedure when it has demonstrated that it has added a certain amount of affordable housing units over a four-year period. Jurisdictions are eligible when they reach the greater of either:
  - a) adding 2% of their housing stock in affordable housing, or
  - b) reaching 75 housing unit equivalents (HUEs), which are points that add up and vary by unit type. Jurisdictions with 20,000 or more housing units who adopt an affordable housing plan and are applying for a second moratorium (meaning they have qualified previously) are only required to reach a 1.5% growth threshold and have a five-year period. The moratorium does not apply to applications for some projects.

Connecticut's policy is similar to Massachusetts' Chapter 40B policy, which influenced many other states. Connecticut's process has stricter affordability thresholds and requires judicial review rather than a state board review.[28]

[25] Connecticut Office of Legislative Research. 2022. "Issue Brief: CGS § 8-30g The Affordable Housing Land Use Appeals Procedure." https://cga.ct.gov/2022/rpt/pdf/2022-R-0254.pdf.
[26] A jurisdiction can also prove that the denial of an affordable housing development project is merited because (a) the project is not receiving government funds and (b) the project is in an industrial zone where residential housing is not permitted.
[27] Connecticut Office of Legislative Research. 2022.
[28] Massachusetts Department of Housing and Community Development. 2025. "Chapter 40B Guidelines." https://www.mass.gov/chapter-40b-planning-and-information.

3. Fair Share & Housing Needs Methodologies

This chapter describes how fair share and housing needs analyses methodologies work in theory and explores how other states and studies measure housing need in practice.

Overview of Fair Share and Housing Needs Methodologies

Housing needs analyses/assessments/allocations are methodologies used to estimate housing need for a target population over a specific time horizon. Housing needs methodologies typically include two steps: 1) an estimate of need, typically at a state or regional level, and 2) an allocation methodology to estimate need at a local level.

- **Estimating housing need** can be done in several ways and should be responsive to local conditions and contexts. Methodologies can estimate housing need today, need in the future, or both; need for an entire population or for a segment of the population (such as households earning above or below a certain income threshold); and/or need by housing tenure (rental or ownership).
- **Housing allocations** distribute housing units calculated at the regional level to local jurisdictions using a set of policy priorities and weights. Policy priorities and weights vary by region but typically include measures such as population growth, employment growth, or variations on the housing stock.

"Fair share" methodologies estimate how many housing units a locality needs to adequately serve a segment of the population. Fair share methodologies typically focus on lower-income households, understanding that many cities, counties, and states are segregated by income (and race). These methodologies attempt to calculate the share of housing units that each locality would need if units affordable to lower-income households were (more) evenly distributed.

Housing needs analyses are an umbrella term that can—but do not have to—contain a fair share component. The fair share component typically comes in at the allocation stage to influence how housing units are distributed. These methodologies are typically done as part of long-range land use planning efforts—guiding how a jurisdiction plans for housing for its residents. Given the myriad ways that housing need and housing unit allocation can be conducted, they must align with policy priorities aimed at solving a region or state's most pressing housing challenges.

Housing Mismatch Approach

A common way that housing needs analyses estimate overall need is through a "housing mismatch" approach. This approach assesses whether households of a given income are occupying units that are *affordable to* that income level—e.g., a household earning 100% of AMI is occupying a unit that is affordable at that income level.

Affordability is determined if the household spends less than 30% of their gross income on housing costs—a common threshold used across the industry and by the U.S. Housing and Urban Development (HUD) Department. Households who spend more than 30% of their income on housing are considered *cost burdened*.[29] Households who spend more than 50% of their income on housing are considered *severely cost burdened*. It is important to note, however, that cost burdening is most important for low-income households because if housing costs consume this much of a very low income, it may mean that the household has too little income left over to spend on other necessities.

The housing mismatch approach of assessing whether a market has enough stock at different income levels to meet demand makes sense in theory, but in practice, no market will have perfect sorting by income and affordability. Households may choose to occupy a unit at a different affordability threshold for many reasons—because they have no other choice, because they want to lower their costs, or because they have wealth and can be cost burdened. This is a common methodology that can rely on readily available public data and has few assumptions to defend. There are many other ways to assess housing need, as explored in the review of housing needs analyses and fair share methodologies in other states (section 4).

Variety of Fair Share and Housing Needs Methodologies

Several states have official housing needs analyses, and several have fair share policies tied to incentives and enforcement mechanisms aimed at producing more housing generally and more affordable housing specifically. States with some type of fair share policies include Massachusetts, New Jersey, Connecticut, Rhode Island, Illinois, Oregon, and California.[30] This section outlines the variables and methodologies used by a handful of states and describes a few national studies that have quantified housing need.

[29] U.S. Department of Housing and Urban Development. 2014. "Rental Burdens: Rethinking Affordability Measures." https://www.huduser.gov/portal/pdredge/pdr_edge_featd_article_092214.html.

[30] Marantz, Nicholas and Huixin Zheng. 2020. "State Affordable Housing Appeals Systems and Access to Opportunity: Evidence From the Northeastern United States." *Housing Policy Debate* 30(3), 370–395: 10.1080/10511482.2020.1712612.

Measuring Housing Need

Methodologies used across the country vary in scope: some focus on the needs of lower-income households, others assess overall underproduction, and some project future demand based on demographic and economic trends. Figure 7 below highlights the most common variables used to assess housing need. Each of these variables can be measured and applied in different ways, and states and regions use different data sources.

Figure 7. Variables Commonly Used in Measuring Housing Need

DEMAND ADJUSTMENT VARIABLES
Units needed for people experiencing homelessness, who are often excluded from the Census.
Units needed to prevent overcrowding, defined as having more than 1 person per room in each room of a home.
Units needed to address cost burdening, defined as paying more than 30% of gross income on monthly housing costs.
Units needed to account for population growth, an estimate of the number of units needed to house future populations.
Units needed to account for demographic change, an estimate of the number of units needed due to changing demographics, like household size.
Units needed to account for second and vacation home demand, which remove housing stock from year-round occupants in an area.
Supply Adjustment Variables
Units needed to account for the gap between current housing supply and current housing demand.
Units needed to account for substandard housing, such as unit age or presence of complete plumbing or kitchens.
Units needed to account for healthy market vacancy.
Replacement housing units needed to replace those that were demolished or lost.

Summary of Variables to Allocate Housing Need

Methods to allocate housing need from regions to jurisdictions have more variation across states and have more policy and political implications than methods to calculate need. The most common allocation variables assessed include the following:

- Current population, population growth
- Current employment, employment growth
- Share of the second and vacation home stock as well as its recent rate of change
- Rates of cost burdening
- Recent rates of production
- Rates of affordable housing production
- Access to transit
- Barriers to housing development
- Housing need for specific populations (e.g., farmworkers, students)
- Property values, relative to the region
- Income levels, relative to the region
- Land capacity

Figure 8. Summary of State Methods to Measuring and Allocating Housing Need

	NEW JERSEY	MASS.	OREGON	CALIFORNIA	WASHINGTON
Program	Fair Share Act	40B	Oregon Housing Needs Analysis	Regional Housing Needs Analysis	Housing for All Planning Tool
Affordable Only?	Yes	Yes	No	No	No
Definition of Housing Need	"Deficient" units occupied by low- and moderate-income households: over 50 years old and overcrowded, lacking plumbing / kitchens	10% of stock should be regulated affordable	Units for Homeless Underproduction Population Growth Demographic Change 2nd & Vacation Homes	Population Growth Target Vacancy Rate Replacement Units Cost Burdening Overcrowding	Units for Homeless Underproduction Population Growth 2nd & Vacation Homes & Migrant Housing Market Vacancy
Current or Future Need	Both	N/A	Both	Both	Both
Allocation Step?	Yes	No	Yes	Yes	Yes
Fair Share?	Yes	Yes	Yes	Yes	Encouraged

Figure 9. Summary of Various Study Methods to Measuring and Allocating Housing Need

	UP FOR GROWTH	FREDDIE MAC	NATIONAL LOW INCOME HOUSING COALITION
Report	Housing Underproduction in the U.S. Study	The Housing Supply Shortage Study	"The Gap" Study
Affordable Only?	No	No	No, but priority focus
Definition of Housing Need	Underproduction, an estimate of the gap between current housing supply and current housing demand.	Housing shortage, an estimate of the delta between the current supply and a target housing supply.	Affordable and available rental housing for lower-income households using the "mismatch approach."
Current or Future Need	Current Need	Current Need	Current Need
Allocation Step?	Yes	No	No
Fair Share?	No	No	No

4. Estimating Housing Need

As described in the prior chapter, there are two primary steps to a fair share or housing needs analysis methodology. The first step is to estimate housing needs; the second is to allocate needs to the planning geography (described in the next chapter).

This chapter summarizes a memorandum[31] describing three approaches to estimating housing needs in Connecticut: The Baseline Approach to Estimating Needs (as directed in Public Act 23-207) and two Alternative Approaches to Estimating Needs developed by ECOnorthwest and a panel of national technical experts in statewide housing policy.

Appendix D provides more detail about the methodology from the housing needs memorandum.

Appendix H summarizes the expert panel members and discussions.

Estimates of statewide housing need focus solely on current need or the units that should have been built to better balance supply and demand. Projections of future need are not included in the alternative approaches developed due to the absence of an official, reliable statewide population forecast and the lack of expected population growth where projections exist.

Estimates range from 120,000 to 380,000 housing units depending on the selected methodology and the focus on different target household income ranges.

- **The Baseline Approach to Estimating Needs:** 133,136 units statewide. Focuses on housing needs for households earning less than 30% of AMI who are severely cost burdened (spending more than 50% of their income on housing costs).
- **Alternative Approach 1 to Estimating Needs:** 119,616 units statewide. Considers current housing underproduction and a focus on housing needs for households earning less than 80% of AMI.
- **Alternative Approach 2 to Estimating Needs:** 379,996 units statewide. Considers current housing underproduction and identifies housing needs for all income levels.

There are many ways to estimate housing needs that prioritize different policy considerations. These three approaches capture a broad range of methods for identifying target households and provide bookends for evaluating how many housing units Connecticut needs to house its current population.

Baseline Approach to Estimating Needs

Public Act 23-207 prescribed a methodology to estimate and allocate fair share housing needs that was based on a methodology developed by the Open Communities Alliance

[31] The memorandum outlining detailed estimates of statewide and regional housing needs was published on January 29, 2025. As the methodology continued to evolve, estimates were revised in a memorandum dated March 31, 2025. This chapter uses the revised data.

(OCA) in 2020. This report updated the data used in the OCA model and refers to this approach as the Baseline. The Baseline Approach seeks to determine Connecticut's current need for affordable housing among lower-income households and to establish a method for fairly allocating this need across regions and towns.

The Baseline Approach uses the number of extremely low-income households facing severe cost burden. This approach identified a statewide need of 133,136 housing units across Connecticut (estimates by region are shown in Figure 10). This approach uses data from HUD's Comprehensive Housing Affordability Strategy (CHAS) and from Census's ACS to estimate need.

Figure 10. Baseline Approach to Estimating Needs Statewide and by Region 2023

Source: ECOnorthwest update of Open Communities Alliance Fair Share Housing Model

REGION	TOTAL UNITS NEEDED
Capitol	37,261
Lower CT River Valley	5,330
Metropolitan & Western Regions Combined	34,446
Naugatuck Valley	16,970
Northeast CT	2,893
Northwest Hills	4,031
South Central	23,321
Southeastern CT	8,883
TOTAL NEEDS IN CONNECTICUT	133,136

The Baseline Approach's primary objective is to determine the quantity of affordable housing required to ensure stability and affordability for vulnerable households. Specifically, it focuses on individuals earning 30% or less of AMI who are severely cost burdened, meaning they spend over 50% of their income on housing. All units estimated in this approach are needed in the 0-30% AMI level.

Alternative Approaches to Estimating Needs

The two Alternative Approaches were developed through collaboration with a national expert panel and reflect Connecticut-specific policy and data considerations. As illustrated in further detail in Figure 1, both approaches define current housing need using the same three components:[32]

- **Underproduction**: The number of housing units needed to bring supply in line with current demand.
- **Homelessness**: The number of units needed to house individuals and families experiencing homelessness.

[32] Data primarily come from the 2023 Census 1-year American Community Survey Public Use Microsample (PUMS) Data. Income data come from the U.S. Department of Housing and Community Development.

- **Structural mismatch:** The gap between available housing units and the income levels of households they are intended to serve. *The key distinction between the two approaches is how each approach defines the structural mismatch*.
  - **Alternative Approach 1 to Estimating Needs** produces an estimated need of 120,000 housing units. It focuses on affordability gaps for low-income households and reflects conditions where supply falls short in the lowest AMI categories.
  - **Alternative Approach 2 to Estimating Needs** estimates a need of 380,000 units. It accounts for shortages across the entire income spectrum, including upper-income households that influence competition for limited housing.

Figure 11. Graphic Illustrating Two Alternative Approaches to Estimating Need

These two approaches lead to different outcomes in total, by income level, and by region. Underproduction is allocated to income level based on cost burdening, which skews to households earning less than 60% of AMI. Units for people experiencing homelessness are solely allocated to households earning less than 30% of AMI. These do not vary across the two alternative approaches.

In Alternative Approach 1 to Estimating Needs, the structural mismatch is focused on households earning less than 80% of AMI. The combination of these three components in Alternative 1 yields a majority of units (~95%) needed under 60% of AMI. In Alternative 2, the structural mismatch is estimated at all income levels and includes units needed for households earning more than 120% of AMI. The combination of these three components in Alternative 2 puts far more emphasis on housing units needed for households earning more than 120% of AMI (~67%), with the bulk of the remainder allocated to households earning under 30% (~26%).

Figure 12 shows the range of estimates of housing need by region, including the change between Alternative Approach 1 and Alternative Approach 2. These changes occur due to variation in the amount of structural mismatch at different income/affordability levels in different regions.

For example, Northwest Hills shows a small gap at lower income levels but a larger gap at higher income levels—resulting in a 1,260% increase in total estimated need under Alternative Approach 2. This region has a small structural mismatch below 80% AMI but more mismatch above 80% AMI, meaning the "gap" needed to close the structural mismatch is wider in the upper income levels in that region. When moving from Alternative Approach 1 to Alternative Approach 2 and closing the structural mismatch "gap" at higher income levels, this region sees a larger jump than other regions. Conversely, regions like the Metropolitan & Western area, which already have significant low-income need, show smaller relative increases when gaps at higher incomes are included.

Figure 12. Summary of Alternative Approaches to Estimating Needs

Note: estimates are rounded

REGION	ALTERNATIVE APPROACH 1	ALTERNATIVE APPROACH 2	% DIFFERENCE
Capitol	34,000	126,500	370%
Lower Connecticut River Valley	6,300	23,600	370%
Metropolitan & Western Regions Combined	37,900	69,700	180%
Naugatuck Valley	13,300	47,100	350%
Northeastern Connecticut	2,100	11,700	560%
Northwest Hills	800	9,900	1,240%
South Central Connecticut	18,600	61,900	330%
Southeastern Connecticut	7,000	29,900	430%
TOTAL	**119,700**	**380,000**	**320%**

Summary & Comparison of Results

These three approaches estimate current housing need in Connecticut. None of them include future housing needs, given the lack of a regularly updated statewide population forecast and recent forecasts indicating limited projected growth. Instead, each approach focuses on aligning existing housing supply with existing demand, accounting for known gaps in availability, affordability, and accessibility.

The approaches differ in the components of need evaluated and the income levels targeted. Identifying the target population for whom housing needs will be estimated is a critical early step in developing a housing needs analysis or fair share study. Identifying the target population should be considered alongside implementation considerations. If the state wants to focus solely on housing needs for low-income households, what will it do to encourage production, affordability, and choice at these income levels, understanding that most low-income housing is publicly subsidized? If the state wants to evaluate needs across the entire income distribution, what steps would it take, understanding that the demand for high-income housing is affected by earners in nearby states?

- **The Baseline Approach to Estimating Needs** strictly targets the lowest-income households who face the most precarious housing need: households earning less than 30% of AMI who are severely cost burdened. This results in a statewide estimate of 131,136 units that are deeply affordable.
- **Alternative Approach 1 to Estimating Needs** defines structural mismatch narrowly, capturing affordability gaps for households earning less than 80% of AMI. This results in an estimated statewide need of 119,700 units. Most of this need—over 80%—is concentrated in the 0–30% AMI range, reflecting the severe shortage of deeply affordable housing in Connecticut.
- **Alternative Approach 2 to Estimating Needs** defines structural mismatch more broadly, estimating the gap between housing supply and household demand across all income levels. This reflects market dynamics where unmet demand from higher-income households can displace lower-income renters and buyers. Under this approach, the total estimated need increases to 380,000 units, with over two-thirds of that need occurring at the 120%+ AMI level. However, need at the lowest income levels remains substantial.

Figure 13. Three Approaches to Estimating Needs Statewide and by Region 2023

Source: ECOnorthwest; Baseline methodology from Open Communities Alliance Fair Share Housing Model

REGION	BASELINE APPROACH		ALTERNATIVE APPROACH 1		ALTERNATIVE APPROACH 2	
Capitol	37,261	(28%)	34,000	(28%)	126,400	(33%)
Lower CT River Valley	5,330	(4%)	6,200	(5%)	23,600	(6%)
Metropolitan & Western Regions Combined	34,446	(26%)	37,900	(32%)	69,700	(18%)
Naugatuck Valley	16,970	(13%)	13,300	(11%)	47,000	(12%)
Northeast CT	2,893	(2%)	2,000	(2%)	11,700	(3%)
Northwest Hills	4,031	(3%)	700	(1%)	9,800	(3%)
South Central	23,321	(18%)	18,500	(15%)	61,900	(16%)
Southeastern CT	8,883	(7%)	7,000	(6%)	29,900	(8%)
TOTAL	**133,136**		**119,600**		**380,000**	
Percents shown are each region's share of the total.	Units for Severely Cost-Burdened Households < 30% AMI		Underproduction + Homelessness + Structural Mismatch < 80% AMI		Underproduction + Homelessness + Structural Mismatch at All Incomes	

Preferred Approach

Connecticut's fair share or housing need analysis methodology should respond to the most relevant housing market conditions affecting households across the state. In interviews, focus groups, and conversations with legislators, the most salient issues included:

- Housing underproduction
- Lack of housing choice (e.g., no units for seniors to downsize into)
- Aging housing stock/uninhabitable units
- Second and vacation home demand, including from outside the region
- Cost burdening
- Concentrations of poverty
- Segregation by race

Both alternative approaches include components that capture these market factors and disparate housing outcomes, such as market vacancy, second and vacation home demand, uninhabitable units, and missing households, which are component parts of the underproduction methodology.[33] Solving for the structural gaps at different income levels is another approach that can directly address cost burdening and over/undercrowding of units.

Alternative Approach 1 to Estimating Needs (which focuses on the housing needs for households earning less than 80% of AMI) was determined as the preferred approach for a fair share or housing needs analysis methodology in Connecticut through stakeholder engagement—including focus groups, interviews, and the presentation to the legislature—as well as based on a recommendation from the technical expert panel.

It is likely that when developing an official methodology, further refinements would happen to the specific components of need, how they are calculated, and how they are distributed by income level. The methodology proposed in Alternative Approach 1 to Estimating Needs, which identifies 120,000 units of need statewide, skews toward low-income units for households earning less than 60% of AMI, based on the component parts of the methodology. Variations on how to allocate the units from regions to municipalities are discussed in the next chapter, and reflections on how Connecticut might consider implementing the methodology are discussed in chapter 6.

[33] **Error! Reference source not found.** has more details on how housing needs are estimated in each approach.

5. Allocating Housing Need

After estimating housing need statewide and regionally, the next step in a fair share or housing needs analysis methodology is to allocate units from regions to municipalities. Several states already employ methods to do this, demonstrating the wide array of variables, proxies, weights, and priorities that can be applied. The allocation methodology must reflect existing policies and land use planning requirements, local market conditions, and policy goals for where and how to plan for housing growth.

Like methods to estimate need, allocation methodologies must be aligned with implementation considerations since this step distributes housing units for each municipality to plan for. Supports—funding, incentives, technical assistance, data, and guidance—must be available for municipalities to be successful. Demand-side interventions and interventions in the existing stock should also be considered.

Local allocation results for each Approach are provided by region in Appendix A and alphabetically in Appendix B.

This chapter describes three allocation approaches—the Baseline Approach to Allocating Needs is replicated and updated with current data as prescribed in the legislation, and two Alternative Approaches to Allocating Needs are presented. These three approaches capture a broad range of methods for allocating housing need across jurisdictions in ways that reflect Connecticut's policy goals and local context.

Results for each approach are provided by region in Appendix A and alphabetically in Appendix B. Building off the Preferred Approach to Estimating Needs described in the prior chapter, this chapter and the results in the appendices only provide allocations for Alternative Approach 1 to Estimating Needs, which estimated 120,000 units statewide. Figure 14 below compares each of the three local allocation approaches.

Figure 14. Three Approaches to Allocating Housing Need from Regions to Municipalities

ALLOCATION APPROACH	VARIABLES AND METHODS USED
Baseline	1. An equally weighted distribution of: a. Municipality's share of the region's valuation of taxable property, b. Municipality's share of the regional household income differences, c. Municipality's poverty rate, and d. The share of the municipality's housing stock that is multifamily housing 2. Remove highest-poverty municipalities and reallocate to remaining municipalities 3. Cap units at 20% of the share of existing stock

ALLOCATION APPROACH	VARIABLES AND METHODS USED
Alternative Approach A	Same allocation variables as the Baseline Approach but does not remove the highest-poverty municipalities and does not cap housing units at 20% of the existing stock.
Alternative Approach B	An equally weighted distribution of: 1. Municipality's share of units needed to reach parity with regional share of housing stock affordable to renters earning less than 50% of AMI 2. Municipality's share of units needed to reach parity with regional total housing production over the last ten years 3. Municipality's share of units based on its share of statewide accessible jobs

Baseline Approach to Allocating Needs

The Baseline Approach allocates fair share housing need from each region to each local jurisdiction, considering factors like income levels and existing housing stock while adjusting for high-poverty areas to avoid further concentration of poverty.

The first step is to create an allocation weight, which is the average (equal weight) of these four factors:

a) The local jurisdiction's share of the region's valuation of taxable property,

b) The local jurisdiction's share of the regional household income differences,

c) The local jurisdiction's poverty rate, and

d) The share of the local jurisdiction's housing stock that is multifamily housing

The second step removes cities and towns that have the highest poverty rates to avoid concentrating poverty. These cities and towns do not receive any housing allocation. Their shares are reallocated to the remaining cities and towns in their regions.

The third step caps any jurisdiction's allocation at no more than 20% of its existing housing stock. Units above these caps are not redistributed, meaning that the actual number of units allocated differs from the estimate of statewide total need. As outlined in chapter 4, the Baseline Approach estimates that Connecticut needs 133,000 units of housing, all for households earning 0-30% of AMI. The total units distributed, however, sums to 120,000.

Alternative Approaches to Allocating Needs

Working with stakeholders, the technical expert panel, and legislators, two alternative approaches to allocate housing need from regions to municipalities were developed. These approaches emerged based on identified policy priorities and data-supported indicators that are applicable in Connecticut and are consistently measurable across geographies.

Other potential policy priorities—such as infrastructure availability—were frequently cited as relevant considerations when prioritizing where to allocate units. They were ultimately excluded due to a lack of reliable statewide data.

Alternative Approach A to Allocating Needs builds directly from the Baseline Approach with two key methodological adjustments:

1) It does not exclude high-poverty municipalities from receiving housing allocations, and
2) It does not apply a cap that limits allocations to 20% of a municipality's existing housing stock.

During engagement, both stakeholders and the technical expert panel raised concerns about how the Baseline approach could inadvertently reinforce patterns of disinvestment. Specifically, while the intent of excluding high-poverty municipalities was to avoid concentrating poverty, panel feedback indicated that poverty is often neighborhood-specific, not municipality-wide. As a result, removing entire municipalities from the allocation presents a risk that could deepen historical inequities rather than address them. Stakeholder feedback also suggested that in many of these communities, the need for more housing that is affordable to low-income households could outweigh concerns about further concentration of poverty.

Similarly, the 20% cap on local allocations is related to implementation considerations rather than a municipality's policy alignment or ability to absorb new housing units. While the Baseline Approach assumed a 10-year implementation period, many statewide housing plans plan for 20 years of housing need. Panelists advised that allocations should fully reflect housing need and be driven by policy priorities—not constrained by potentially arbitrary thresholds. The general consensus was that any concerns about absorption and phasing are more appropriate to address during the implementation stage, not in the allocation formula itself.

Alternative Approach B to Allocating Needs distributes regional housing need to municipalities using three equally weighted factors: housing affordability, housing production, and access to jobs. These variables are used in other states and help identify areas that have underproduced relative to their region, have less affordability relative to their region, and have good access to jobs (relative to the state). In addition, these variables all have uniform statewide data that is updated regularly across geographies.

- **Housing Affordability.** Municipalities with higher affordability rates than their region's affordability rate are not allocated any units, and municipalities with the largest difference from the regional affordability rate are allocated more units as a share of their total regional housing need.
- **Housing Production.** Municipalities with production rates that are higher than the region's rate receive no units, and municipalities with the lowest production are allocated the highest share of the total regional housing need.

- **Access to Jobs.** Each municipality is scored on how many jobs are accessible by a 30-minute car ride and by a 60-minute transit trip relative to the state. For this measure of accessibility, statewide totals (rather than a regional control total) are used because limiting the number of jobs to those within a region is not an accurate measure of overall accessibility. Areas with more jobs receive more housing units, while areas with less job access receive fewer units.

Once these three variables are calculated, Approach B takes the average of each municipality's allocation across the three methods to produce the final municipal allocation.

Sumary & Comparison of Results

Results for each approach are provided by region in Appendix A and alphabetically in Appendix B.

These approaches were developed through engagement with Connecticut stakeholders, input from a national technical expert panel, and a review of allocation methodologies used in other states, as documented in the memorandum of research and discovery. The January 31, 2025, presentation to the General Assembly's Housing and Planning and Development Committees also included a discussion of allocation variables to gather feedback and direction.

Preferred Approach

When allocating units from regions to municipalities, Alternative Approach B was determined as the preferred approach. This approach is most similar to allocation methodologies in practice in other states while also identifying municipalities that have recently underproduced housing and have a lower share of units affordable to low-income households compared to the rest of their region—two important considerations that would result in a more equitable distribution of housing for low-income households. Including access to jobs when allocating housing units is another key consideration in creating a more equitable distribution of housing, as access to jobs is an important consideration in maximizing economic opportunity. Stakeholder engagement identified that linking housing need allocation with job access helps align housing and land use planning efforts with other state goals surrounding economic and workforce development,[34] protecting open spaces,[35] and reductions in greenhouse gas emissions through vehicle miles traveled.[36]

[34] Connecticut Workforce Strategy. 2025.
[35] Connecticut Department of Energy & Environmental Protection. 2025.
[36] Connecticut Department of Transportation. 2025.

6. Preferred Approach and Implementation Considerations

This study should be considered as a road map for policymakers and advocates to continue developing an official fair share or housing needs analysis program. States typically take several years and iterations to develop their methodologies, often revising their methodologies and policies to better reflect their current housing market and policy environments. A broad range of the most detailed and comprehensive approaches are summarized and contextualized to the unique circumstances and conditions across the state.

Preferred Approach

The process for determining the set of methodological options and ultimately the preferred approach to estimating and allocating statewide housing needs is documented in the preceding chapters.

When estimating regional and statewide housing needs, Alternative Approach 1 was identified as the preferred approach, which focuses on solving structural gaps in the number of housing units available for households earning less than 80% of AMI. Alternative Approach 1 to Estimating Needs results in an estimated current need of roughly 120,000 units. This methodology identifies units that are primarily targeted to households earning less than 60% of AMI, with a small share for higher-income households (see Figure 15). This approach is grounded in addressing challenges and conditions of Connecticut residents that were identified in interviews and stakeholder engagement, including underproduction, lack of housing choice, aging housing stock and uninhabitable units, second and vacation home demand, cost burdening, concentrated poverty, and racial segregation.

Figure 15. Preferred Approach for Regional Housing Need by Income Level, 2023

INCOME LEVEL	# OF UNITS	% OF UNITS
0-30%	100,003	84%
31-60%	14,650	12%
61-80%	3,047	3%
81-100%	860	1%
101-120%	406	0%
>120%	650	1%
Total	**119,616**	**100%**

Although this approach is primarily focused on solving structural gaps in need for households earning less than 80% of AMI, a small share of need is identified for higher-income households, resulting from the underproduction component of need.

When allocating housing units from regions to municipalities, Alternative Approach B was identified as the preferred approach. This approach uses the following three policy variables as inputs and weights to allocate units from regions to municipalities:

- **Housing Affordability.** Units are allocated to municipalities with the largest difference from the regional affordability rate as a share of their total regional housing need.
- **Housing Production.** Units are allocated to municipalities with the lowest recent production rates relative to their region.
- **Access to Jobs.** Units are allocated to municipalities based on statewide access to jobs.

This approach is most similar to allocation methodologies in practice in other states while also identifying municipalities that have recently underproduced housing and have a lower share of units affordable to low-income households compared to the rest of their region—two important considerations that would result in a more equitable distribution of housing for low-income households. As noted in chapter 5, including access to jobs when allocating housing units helps align housing and land use planning efforts with other important state goals.

Preferred Approach Results

Taken together, Alternative Approach 1 to Estimating Needs and Alternative Approach B to Allocating Needs produce the distribution of housing need displayed in Figure 16 (nominal units) and Figure 17 (units as a share of the existing stock).

As the figures below illustrate, the majority of units are allocated to municipalities along interstate corridors, which is primarily the result of the statewide access to jobs policy variable in the allocation step. As a share of existing units, municipalities that receive the most units are those that, relative to their region, have historically underproduced housing and have the least affordable housing stock. This is by design, since fair share methodologies aim to more equitably distribute housing need.

The Preferred Approach intentionally considers fair housing issues such as racial and economic segregation. The desired outcome of fair housing approaches is to more equitably distribute access to low-income housing than is currently experienced across the state. This approach is in alignment with that desired outcome because communities that have historically produced less housing and offer fewer units affordable to low-income households than other municipalities in their regions receive a higher share of units (compared to their existing nominal stock of housing).

It is also important to note that *how municipalities address their housing need* is a factor that should be considered in implementation. As described in the following sections, policies should vary based on a municipality's rate of poverty or segregation. The program design can prevent or mitigate high-poverty areas or communities with high concentrations of

minorities from potentially adverse impacts associated with gentrification and involuntary displacement. If a policy priority were to reduce cost burdening, demand-sided actions (e.g., vouchers) could be used to meet allocated housing need. If rehabilitating the aging housing stock were a policy priority, preservation actions could be credited toward targets along with new supply.

Figure 16. Nominal Housing Need Allocation Results for Preferred Approach

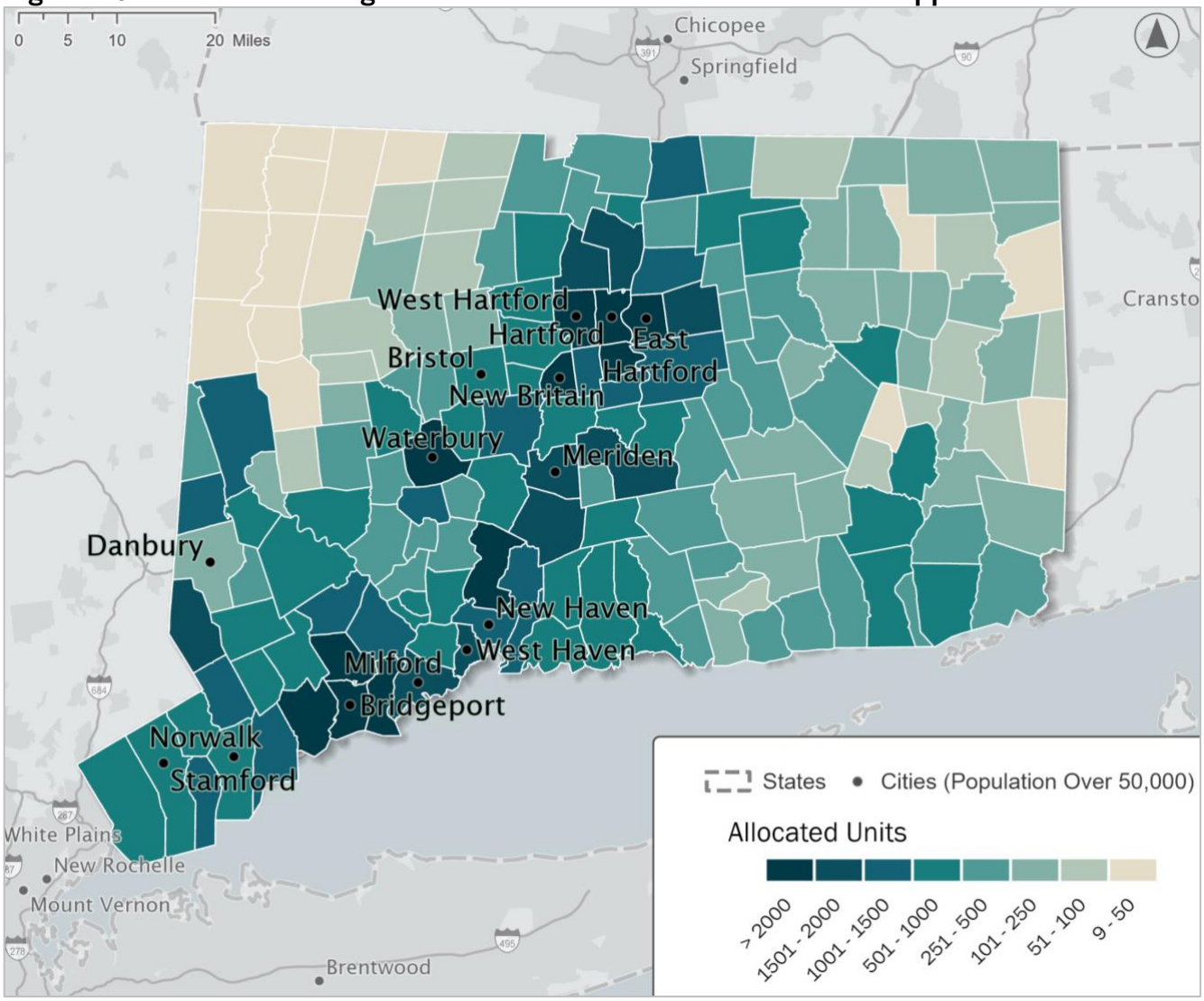
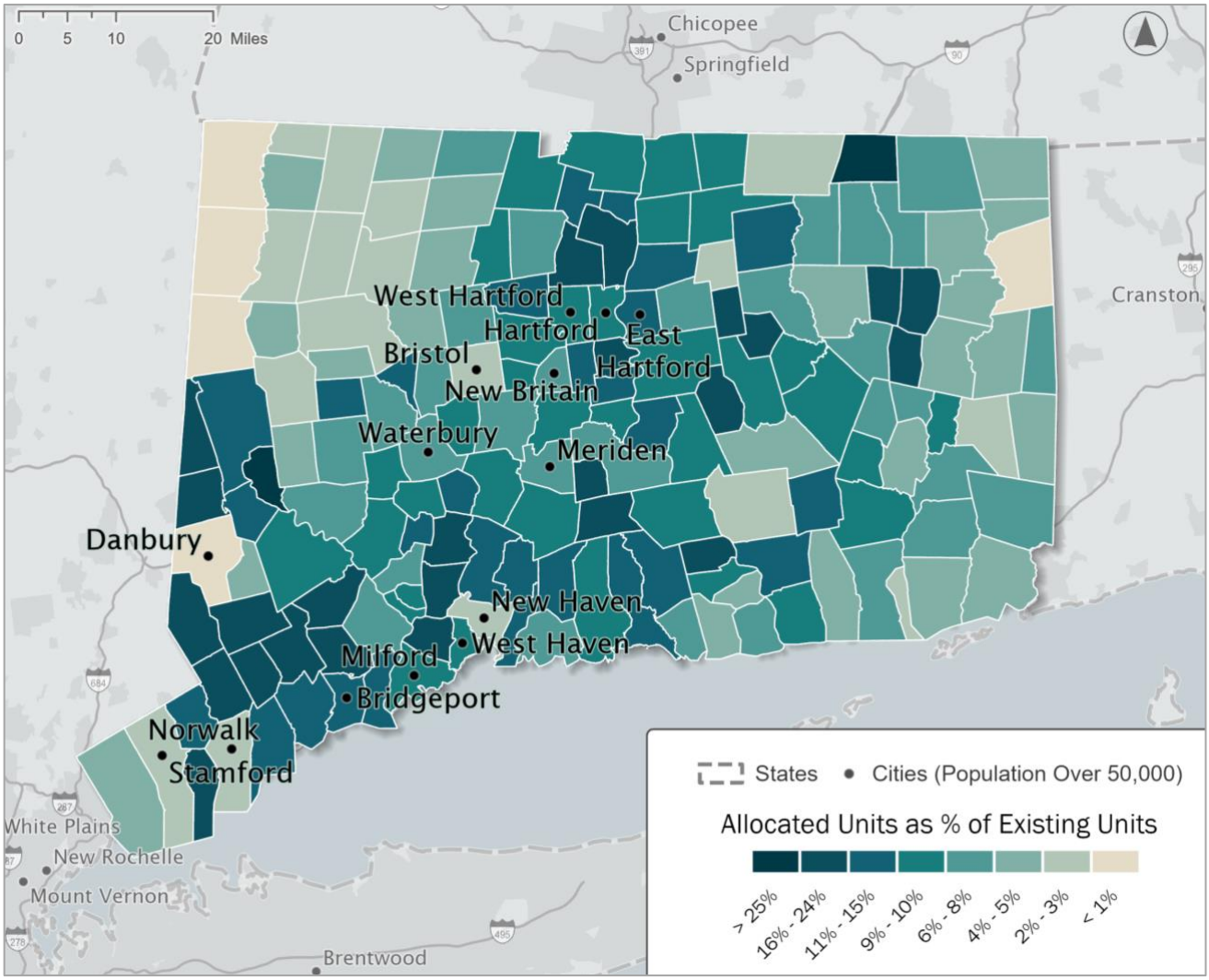


Figure 17. Housing Need Allocation Results for Preferred Approach as a Share of Existing Stock



Implementation Considerations

While this study focuses on estimating regional housing need and distributing that need to local jurisdictions, broader questions surrounding implementation remain critical and should be used to inform the methodology. Implementation, funding, monitoring, and enforcement should be grounded in an iterative process involving the methodological design of the fair share approach, including selection of policy priorities.

The following implementation considerations are adapted from a 2020 paper, Ending Exclusionary Zoning in New York City's Suburbs, by Noah Kazis.[37, 38] In this paper, Kazis describes New York's "overly restrictive zoning regulations" and makes the case for why the

[37] Kazis, Noah. 2020. "Ending Exclusionary Zoning in New York City's Suburbs," The New York University Furman Center. furmancenter.org/files/Ending_Exclusionary_Zoning_in_New_York_Citys_Suburbs.pdf.
[38] Mr. Kazis is on the Technical Expert Panel for this study. In 2020 he was with the New York University Furman Center and is now at the University of Michigan.

state needs to step in to help promote housing production in New York's exclusive, wealthy suburbs, then outlines a set of questions for the state to consider should it reform its land use system.

These considerations build on Mr. Kazis's research as well as other studies providing analyses and examples written by the experts on the technical panel. These include a 2021 paper, *How Can State Governments Support Healthier Housing Markets?*, by Dr. Schuetz (at the Brookings Institution at the time);[39] a 2020 paper by Nicholas Marantz and Huixin Zheng entitled *State Affordable Housing Appeals Systems and Access to Opportunity: Evidence from the Northeastern United States;*[40] and two studies published by the Lincoln Institute of Land Policy in 2023 and 2025 evaluating statewide housing policy development and implementation.[41, 42]

Using this outline, high-level considerations are presented that are grounded in a Connecticut context and existing market conditions should the state continue to build out a fair share or housing needs analysis program that includes land use and planning reforms. Questions have been categorized in sections but invariably overlap and inform one another.

A. Methodological questions

a. What is an allocation?

b. How often is the methodology run? What is the implementation timeline for jurisdictions? Are they rolling targets or held constant for the entire monitoring period?

c. Do targets specify affordability levels or specific types of housing units, for example, tenure or bedroom mix?

B. Achieving intended outcomes

a. How are targets operationalized and monitored?

b. Should the state incentivize with carrots or sticks?

c. In offering development overrides, should the state focus on affordable housing or allow market-rate development, too?

d. How should the state enforce compliance?

C. Building a comprehensive policy framework

a. How should the state coordinate housing with the planning and provision of other infrastructure?

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[39] Scheutz, Jenny. 2021. "How can state governments support healthier housing markets?" The Brookings Institution. papers.ssrn.com/sol3/papers.cfm?abstract_id=3967227.

[40] Marantz and Zheng. 2020.

[41] Schuetz, Jenny, Julia Gill, Semida Munteanu, and Sydney Zelinka. 2023. "From the House to the Ground: Insights into the Challenges of Implementing State Housing Policies." Lincoln Institute for Land Policy. https://www.lincolninst.edu/publications/policy-downloads/from-house-to-ground/.

[42] Munteanu, Semida, Jenny Schuetz, and Sydney Zelinka. 2025. "Updates on the State of Statewide Housing Policy: New Insights into Implementation and Results." Lincoln Institute for Land Policy. https://www.lincolninst.edu/publications/policy-downloads/updates-state-statewide-housing-policy-new-insights-implementation-and-results/.

b. How to pair land use reform with other policies?

D. Data needs

a. What data are needed for the methodology and compliance?
b. What other data could inform methodological changes?
c. How often will input data be updated?

A. Methodological questions

The foundational question in any fair share approach is how to interpret a local allocation. In most states, housing allocations are either planning or production targets that are associated with an implementation timeline. With varying levels of rigor, they are requirements for each jurisdiction to demonstrate that it has made an effort to meet its allocation. That could be zoning to *allow* housing to be developed, or it could be removing barriers and *actively encouraging and incentivizing* housing production.

- California is the most rigorous state that was identified in literature and policy review across the country. It requires jurisdictions to conduct a Housing Element every 6 years to demonstrate how they will meet their Regional Housing Needs Allocation (RHNA). The Housing Element must also include an analysis where jurisdictions demonstrate that they have sufficient sites with adequate zoning to meet their allocation. If a jurisdiction is using a site that is developed, it must also demonstrate the likelihood that the site will redevelop into housing.
- In Oregon, jurisdictions are required every 6 or 8 years (depending on the location within the state) to conduct a Housing Capacity Analysis, including a buildable lands inventory and an accompanying Housing Production Strategy report. Each jurisdiction receives an allocation from the Oregon Housing Needs Analysis (OHNA) methodology, and these planning documents must demonstrate how their chosen strategies and zoning will meet their allocated housing need by income level.

If taking an approach to allocation that uses planning targets, municipalities would likely be required to zone to allow a certain number of units. If the allocation approach focuses on production targets, municipalities would likely need to demonstrate that they have removed barriers to production and/or actively incentivized and encouraged production. The latter is a higher standard, since municipalities do not build housing but private market players who are subject to many inputs and market conditions do.

If allocations/targets are segmented by income level, like they are in California, Oregon, and Washington, jurisdictions would need to demonstrate how they will plan for/will produce units in each targeted income level. Typically, there are multiple distinct income level groups, such as 0-30% of AMI, 31-50% of AMI, 51-80% of AMI, 81-100% of AMI, 101-120% of AMI, >120% of AMI, or it could be more broadly defined as affordable between 0 and 80% of AMI and market rate at 80% of AMI and higher. Statewide, consistent data on the

rents and sale prices of units will likely be a limiting factor when deciding whether or how to segment by income level and how to monitor progress toward targets.

Under Section 8-30j, municipalities in Connecticut must conduct an Affordable Housing Plan every five years, so a new program could integrate into this cycle. This time frame also follows larger real estate cycles—shorter time frames might be insufficient for municipalities to make changes or see progress.

Occasionally, additional policy priorities are included when taking a production target approach, such as tenure or unit type (bedroom count) targets. These types of additional requirements are well-intentioned but often add complexity that can limit housing production and, therefore, should be carefully considered. If production requirements add additional financial burden and reduce the financial feasibility of unit production, incentive offsets can be helpful in mitigating unintended consequences.

B. Achieving intended outcomes

Directly related to the question of "what allocations mean" are questions on how targets/allocations are operationalized and what the role is for local governments. As noted, allocations could be planning or production targets, but a program may also want to consider demand-sided interventions and interventions associated with the existing stock.

Municipalities typically do not control and issue housing choices vouchers, which are a demand-side intervention that make housing more affordable to low-income households. Vouchers can be an effective policy intervention to increase the feasibility of new construction projects, or they can be a solution to increase the availability of existing housing that is affordable to low-income households, which would not increase the supply of units. The program design could include housing vouchers or subsidies as credit toward meeting a target allocation rather than entirely focusing on the production of new housing units. The funding and administration of these vouchers would need to be considered.

The program design could also include interventions in housing preservation or rehabilitation as credit toward meeting a target allocation. Stakeholders frequently mentioned the aging housing stock and the desire to revitalize and rehabilitate substandard existing housing in Connecticut. The funding and administration of this approach is also challenging but is another alternative to increasing the availability of units that are affordable to low-income households without increasing the stock of housing.

Jurisdictions are required to track affordable housing production in their Affordable Housing Plans as well as the share of housing stock affordable to lower incomes. These Affordable Housing Plans must outline strategies each municipality will adopt to increase the number of affordable housing developments. The 8-30j law also requires jurisdictions to "regularly review and maintain" the plan. If Connecticut developed a fair share or housing needs analysis program, it could link the allocations each municipality receives to these Affordable Housing Plans and the municipalities would need to demonstrate how their strategies would help them reach their allocations.

If Connecticut develops a program, it will also need to consider monitoring and enforcement (along with incentives, discussed next). The frequency and rigor of tracking and monitoring program outcomes have implications for municipalities' staff capacity and resources, data capabilities, and the technical assistance or guidance needed to aid local governments in understanding and ultimately meeting requirements.

Research suggests that without measurable outcomes, planning and production efforts will not succeed. Outcomes should be tracked as part of any accountability system, but they should not be associated with inputs (like funding) or adherence to narrow rules without achieving policy goals. Rather, outcomes should act like targets and should be clearly aligned with policy goals as well as clearly communicated to stakeholders. Examples include improved affordability, number of households successfully assisted, or increased housing production.

While careful monitoring and tracking of outcomes can help to identify potential problems and course correct, such as unintended consequences or impacts that spill across the intended geographies or sectors, it should be weighed against the size and capacity of the planning and related industries. This includes external resources like planning schools, training programs, or the local consultant industry. Consideration needs to be given both to the state agency monitoring compliance and the local governments that need to demonstrate compliance.

Just as demand-sided interventions and preservation or rehabilitation efforts can be part of the program design, incentivization and assistance will need to be considered. Many states have grappled with the decision of whether to use "carrots" (incentives like funding grants or technical assistance) or "sticks" (legal action, removal of funds, or other penalties) to reach intended outcomes. Focused reforms could be punitive, directed at underproducers, or opportunistic, directed at areas where housing production is desired and needed (such as in high-opportunity areas or near transit).

Research and evidence from other states have shown that financial incentives aimed at local governments do not always work when offered statewide and may only affect communities that already want to change. Incentives without enforcement mechanisms are also less likely to succeed on fair housing and anti-segregation policy goals. Generally, incentives lose traction in wealthy, exclusive communities because they do not need the funding and do not want what the funding is exchanged for (typically higher-density or affordable housing). This is a major challenge since these are the communities in which most states are trying to produce more housing.

C. Building a comprehensive policy framework

As Connecticut develops housing policy, it should consider implementation in the context of other existing and future programs. Alignment of a fair share or housing needs analysis program with the cycles and requirements of 8-30j and the Affordable Housing Plans is a natural fit.

The need for different policies to work together toward common goals is identified in the research literature. Most often, this was highlighted as a warning against state environmental policies that have been weaponized on both sides of the housing and environment debates; some use these policies to prevent housing development writ large, while others use the housing crisis to override environmental concerns about urban growth boundaries and sprawl. Connecticut, like other states, will need to evaluate tradeoffs that balance protecting natural resources, promoting racial equity, supporting and strengthening equity in existing neighborhoods, and providing housing. This pairs with the suggestion to monitor progress, watch for unintended consequences, and move quickly to remedy well-intentioned policies before they become entrenched.

Policy alignment between any fair share or housing needs analysis methodology and the programs that fund affordable housing development are also highlighted in the research. Several states, including Oregon[43] and New Jersey,[44] have realigned their low-income housing tax credit funding to their regional housing needs as determined via the statewide methodology.

The provision of infrastructure to support housing development will also be an important consideration in implementation. It will not likely succeed as an incentive (either a carrot given or taken away) in wealthier communities that need less financial infrastructure support. Many states use urban renewal funding for infrastructure to support housing development with or without affordability requirements. A few states, such as California, Oregon, Kansas, and Illinois, have targeted infrastructure investment funds that seek to overcome infrastructure cost hurdles to providing desired housing. The scale and cost of infrastructure needs can be daunting for state governments but are necessary to lay the groundwork for more housing production.

D. Data needs

The fair share approach methodologies discussed in this report are grounded in a set of policy priorities identified through stakeholder outreach, engagement with the technical panel and focus groups, discussions with legislators, and input from staff. A wide range of policies were discussed, including whether municipalities are zoning for higher-density development in equitable ways or are considering locational assets (e.g., good schools, transit or grocery stores) and harms (e.g., floodplains, wildland urban interfaces, or areas with noise or traffic pollution).

Many of these priorities were difficult to operationalize using data that were available statewide and regularly updated. Broadening data to include additional sources would allow for future methodological changes that can serve as appropriate policy considerations as future market conditions change.

[43] Oregon Housing and Community Services. 2025. "ORCA Pipeline, Resources, and Set-Asides." https://www.oregon.gov/ohcs/rental-housing/housing-development/oregon-centralized-application-orca/pages/current-pipeline.aspx.
[44] Kazis, Noah. 2020.

If the allocations are planning targets, and municipalities were required to zone to allow a certain number of units, the state will need to monitor municipalities' zoning codes and maps to ensure that they are accurate. A statewide zoning map and database would help this effort. A crosswalk of different zoning codes (e.g., Is an R-2 in one town the same as an R-2 in another town?) would be helpful to streamline monitoring. Even better would be standardized and universal zoning code that maps onto local zoning codes.

If the allocations are production targets, the state will need access to more data to monitor compliance, in addition to the zoning and locational assets/harms data already mentioned. Tracking whether municipalities are actually producing housing would require standardized or comparable data from all jurisdictions that describe permitting and completions by housing type, location, price point, and deed restriction. It might also require an assessment of whether municipalities have removed barriers to production and/or actively incentivized and encouraged production, such as audits of policies, programs, or codes.

The state would also need to consider implementation time frames and data update cycles—data may not be available at the same periodicity. It would need to identify a process for data that are not updated annually. Annual data is often variable and volatile when measuring surveyed demographic indicators at small units of geography. One option is to run the methodology annually and then take a moving average that smooths targets to allow for more predictable targets and a more consistent monitoring process.

Conclusion

Connecticut policymakers and housing stakeholders have significant discretion to build out a fair share or housing needs analysis program. Any final adopted methodology should be responsive to the state's policy goals and implementation considerations. Clearly articulated goals embedded into the methodology can inform "what" the state wants to accomplish and "where," and implementation considerations can inform the "who," "how," and "when."

This report is intended to act as a road map for policymakers and advocates to aid in the design and, ultimately, implementation of a fair share or housing needs analysis program. This report identifies the methodological choice points and outlines some potential options that can be adapted or adopted in subsequent implementation approaches. Most states with fair share or housing needs analysis programs have taken years to iterate with stakeholders, advocates, planners, builders, and local governments to find the most suitable approach. While much work remains, clear goals and policy priorities can help direct efforts toward a successful outcome.

Appendices A-E

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Appendix A: Local Allocation Results Sorted by Region

Figure 1 presents the local allocation results for the Baseline Approach to Allocating Needs, as well as the Alternative Approaches to Allocating Needs. For comparison, Figure 1 also includes the number of existing housing units in each municipality.

The Baseline Approach to Allocating Needs from regions to municipalities caps the number of housing units a municipality can receive to 20% of its existing housing stock. Any housing units exceeding a municipality's 20% cap are not reallocated to the remaining municipalities within the region. This results in fewer total units being distributed than are estimated as needed across the state. While the Baseline Approach to Estimating Need finds that 133,136 units of housing are needed across the state, only 117,234 units are allocated to municipalities due to the 20% cap.

The results shown for Alternative Approaches to Allocating Needs reflect the Preferred Approach to Estimating Need described in chapter 6 of the report (Alternative Approach 1, which estimated roughly 120,000 units) and are listed in descending order by existing housing units. Note: totals may not sum exactly due to rounding.

Figure 1. Comparison of the Three Approaches to Allocating Need, by Region

MUNICIPALITY	EXISTING HOUSING STOCK	BASELINE APPROACH	ALTERNATIVE APPROACH A	ALTERNATIVE APPROACH B
	CAPITOL REGION			
Hartford	56,626	-	1,193	5,389
New Britain	32,499	837	737	2,328
West Hartford	27,427	1,750	1,541	2,630
Manchester	26,465	1,395	1,228	1,720
East Hartford	21,619	963	847	2,846
Southington	18,260	1,433	1,261	1,048
Enfield	17,457	1,160	1,021	1,358
Glastonbury	14,551	1,458	1,283	1,271
Vernon	14,335	896	788	301
Newington	13,334	1,128	993	1,442
Windsor	11,904	1,389	1,222	1,961
Wethersfield	11,833	1,069	941	2,089
Farmington	11,755	1,314	1,156	929
South Windsor	10,133	1,303	1,147	1,092
Simsbury	9,557	1,216	1,070	692
Bloomfield	9,544	1,161	1,022	1,686
Rocky Hill	9,308	987	869	1,329
Berlin	8,545	1,052	926	803

MUNICIPALITY	EXISTING HOUSING STOCK	BASELINE APPROACH	ALTERNATIVE APPROACH A	ALTERNATIVE APPROACH B
Plainville	8,511	780	687	794
Avon	8,062	1,131	995	832
Ellington	6,753	933	821	578
Mansfield	6,141	653	575	173
Suffield	5,585	929	818	474
East Windsor	5,485	811	714	495
Windsor Locks	5,483	944	831	725
Tolland	5,348	937	825	620
Coventry	5,120	820	722	349
Stafford	4,902	746	656	87
Granby	4,467	773	748	431
Canton	4,376	886	780	368
Hebron	3,684	613	769	339
Somers	3,558	843	742	338
Willington	2,793	549	542	180
Columbia	2,218	389	679	181
Marlborough	2,208	413	735	449
East Granby	2,125	423	712	309
Bolton	2,009	360	693	338
Andover	1,289	226	702	302
REGIONAL TOTAL	415,269	34,670	33,991	39,276
LOWER CONNECTICUT RIVER VALLEY REGION				
Middletown	22,165	337	392	1,553
Clinton	6,389	392	457	366
Cromwell	6,286	323	377	570
Old Saybrook	5,983	437	509	306
East Hampton	5,385	359	418	462
Old Lyme	4,557	388	452	422
East Haddam	4,294	286	333	104
Westbrook	4,180	248	288	123
Portland	3,961	312	363	515
Haddam	3,524	317	369	304
Essex	3,328	281	327	87
Durham	3,080	364	424	634
Killingworth	2,713	328	382	279
Deep River	2,169	199	231	191

MUNICIPALITY	EXISTING HOUSING STOCK	BASELINE APPROACH	ALTERNATIVE APPROACH A	ALTERNATIVE APPROACH B
Middlefield	1,933	256	298	371
Chester	1,679	208	243	356
Lyme	1,145	234	346	122
REGIONAL TOTAL	82,771	5,269	6,209	6,764
METROPOLITAN & WESTERN REGIONS COMBINED				
Bridgeport	59,676	-	991	6,813
Stamford	57,958	2,346	2,513	879
Norwalk	38,038	1,748	1,873	595
Danbury	34,798	1,220	1,307	194
Greenwich	25,525	3,261	3,494	745
Fairfield	22,435	1,990	2,132	2,422
Stratford	21,880	1,216	1,302	3,056
Trumbull	12,468	1,468	1,572	2,360
New Milford	11,606	1,082	1,159	1,474
Westport	10,326	1,495	2,241	1,062
Newtown	9,965	1,283	1,375	985
Ridgefield	9,836	1,357	1,454	1,586
Bethel	7,907	1,013	1,085	316
New Canaan	7,668	1,182	1,875	818
Darien	7,567	1,244	1,967	1,229
Brookfield	6,961	1,135	1,215	794
Monroe	6,573	936	1,302	1,347
Wilton	6,474	1,022	1,616	1,341
New Fairfield	5,137	644	1,240	1,147
Weston	3,845	512	1,532	776
Redding	3,684	718	1,234	710
Easton	2,646	393	1,256	642
Sherman	1,954	192	1,047	330
Bridgewater	859	103	1,110	246
REGIONAL TOTAL	375,786	27,560	37,892	31,865
NAUGATUCK VALLEY REGION				
Waterbury	50,577	-	776	2,750
Bristol	26,744	1,250	920	537
Shelton	16,578	1,595	1,174	1,240
Naugatuck	13,135	920	677	1,222
Cheshire	10,493	1,435	1,056	907

MUNICIPALITY	EXISTING HOUSING STOCK	BASELINE APPROACH	ALTERNATIVE APPROACH A	ALTERNATIVE APPROACH B
Watertown	9,309	963	709	601
Southbury	8,826	1,055	776	661
Ansonia	8,389	654	482	797
Seymour	6,436	852	628	449
Wolcott	6,383	957	704	528
Derby	6,127	612	451	600
Oxford	5,091	1,033	760	458
Plymouth	5,080	759	559	322
Woodbury	4,704	790	673	332
Prospect	3,546	666	660	464
Thomaston	3,328	650	537	379
Middlebury	3,071	626	683	289
Beacon Falls	2,668	539	524	387
Bethlehem	1,499	299	518	164
REGIONAL TOTAL	191,984	15,655	13,268	13,088
NORTHEASTERN CONNECTICUT REGION				
Killingly	7,772	308	214	49
Plainfield	6,264	201	139	197
Putnam	4,295	141	98	190
Thompson	4,269	209	145	180
Woodstock	3,811	251	174	204
Brooklyn	3,184	197	137	111
Canterbury	2,305	186	129	60
Ashford	2,068	218	151	143
Pomfret	1,730	186	129	83
Sterling	1,329	140	97	75
Voluntown	1,173	143	100	45
Chaplin	939	142	99	183
Eastford	734	140	104	37
Hampton	727	142	109	153
Scotland	600	131	93	131
Union	429	65	89	155
REGIONAL TOTAL	41,269	2,800	2,009	1,997
NORTHWEST HILLS REGION				
Torrington	17,047	250	46	242
Winchester	5,643	130	24	95

MUNICIPALITY	EXISTING HOUSING STOCK	BASELINE APPROACH	ALTERNATIVE APPROACH A	ALTERNATIVE APPROACH B
Litchfield	4,117	254	47	70
Burlington	3,457	341	63	191
New Hartford	2,954	229	42	76
Salisbury	2,484	234	43	17
Harwinton	2,309	203	37	107
Washington	1,878	224	41	27
Sharon	1,833	195	36	9
Kent	1,771	172	32	11
Goshen	1,601	251	46	34
North Canaan	1,497	108	20	31
Barkhamsted	1,447	187	34	63
Roxbury	1,354	198	36	60
Morris	1,334	166	31	57
Cornwall	1,009	117	28	17
Norfolk	947	128	24	21
Hartland	866	150	30	58
Warren	730	132	32	22
Colebrook	703	102	28	29
Canaan	684	120	22	19
REGIONAL TOTAL	55,665	3,891	743	1,256
SOUTH CENTRAL CONNECTICUT REGION				
New Haven	59,626	-	1,069	1,140
Meriden	26,804	1,296	970	1,727
Hamden	25,638	1,731	1,296	3,224
Milford	23,893	2,336	1,748	1,857
West Haven	21,884	1,289	965	1,914
Wallingford	19,573	1,797	1,345	1,563
Branford	14,334	1,646	1,232	913
East Haven	11,863	1,343	1,005	1,457
North Haven	9,892	1,771	1,326	1,139
Guilford	9,773	1,790	1,340	918
Madison	8,020	1,313	1,510	906
Orange	5,388	1,067	1,272	931
North Branford	5,275	921	1,019	709
Woodbridge	3,408	593	1,328	642
Bethany	1,846	408	1,098	314

MUNICIPALITY	EXISTING HOUSING STOCK	BASELINE APPROACH	ALTERNATIVE APPROACH A	ALTERNATIVE APPROACH B
REGIONAL TOTAL	247,217	19,301	18,525	19,353
SOUTHEASTERN REGION				
Norwich	19,057	444	339	856
Groton	18,285	763	582	757
New London	12,514	341	260	290
Windham	9,891	-	209	618
Stonington	9,615	704	537	282
East Lyme	8,936	689	525	361
Waterford	8,929	769	586	567
Montville	6,964	497	379	532
Colchester	6,410	587	447	240
Ledyard	5,958	542	413	320
Griswold	5,165	385	293	58
Lebanon	3,210	445	339	261
North Stonington	2,272	359	342	139
Preston	2,100	357	326	151
Salem	1,738	293	322	239
Lisbon	1,699	294	286	135
Sprague	1,195	226	228	83
Bozrah	1,036	250	290	80
Franklin	754	144	276	48
REGIONAL TOTAL	125,728	8,089	6,979	6,016
STATEWIDE TOTALS				
Total	1,536,049	**117,234**	**119,616**	**119,616**

Appendix B: Local Allocation Results Sorted Alphabetically

The Baseline Approach to Allocating Needs from regions to municipalities caps the number of housing units a municipality can receive to 20% of its existing housing stock. Any housing units exceeding a municipality's 20% cap are not reallocated to the remaining municipalities within the region. This results in fewer total units being distributed than are estimated as needed across the state. While the Baseline Approach to Estimating Need finds that 133,136 units of housing are needed across the state, only 117,234 units are allocated to municipalities due to the 20% cap.

The results shown for Alternative Approaches to Allocating Needs reflect the Preferred Approach to Estimating Need described in chapter 6 of the report (Alternative Approach 1, which estimated roughly 120,000 units) and are listed in descending order by existing housing units. Note: totals may not sum exactly due to rounding.

Figure 2 presents the local allocation results for the Baseline Approach, as well as Alternative Approaches A and B for Allocating Needs. For comparison, The Baseline Approach to Allocating Needs from regions to municipalities caps the number of housing units a municipality can receive to 20% of its existing housing stock. Any housing units exceeding a municipality's 20% cap are not reallocated to the remaining municipalities within the region. This results in fewer total units being distributed than are estimated as needed across the state. While the Baseline Approach to Estimating Need finds that 133,136 units of housing are needed across the state, only 117,234 units are allocated to municipalities due to the 20% cap.

The results shown for Alternative Approaches to Allocating Needs reflect the Preferred Approach to Estimating Need described in chapter 6 of the report (Alternative Approach 1, which estimated roughly 120,000 units) and are listed in descending order by existing housing units. Note: totals may not sum exactly due to rounding.

Figure 2 also includes the number of existing housing units in each municipality.

The Baseline Approach to Allocating Needs from regions to municipalities caps the number of housing units a municipality can receive to 20% of its existing housing stock. Any housing units exceeding a municipality's 20% cap are not reallocated to the remaining municipalities within the region. This results in fewer total units being distributed than are estimated as needed across the state. While the Baseline Approach to Estimating Need finds that 133,136 units of housing are needed across the state, only 117,234 units are allocated to municipalities due to the 20% cap.

The results shown for Alternative Approaches to Allocating Needs reflect the Preferred Approach to Estimating Need described in chapter 6 of the report (Alternative Approach 1, which estimated roughly 120,000 units) and are listed in descending order by existing housing units. Note: totals may not sum exactly due to rounding.

Figure 2. Comparison of the Three Approaches to Allocating Need, Alphabetically

MUNICIPALITY	REGION	EXISTING HOUSING STOCK	BASELINE APPROACH	ALTERNATIVE APPROACH A	ALTERNATIVE APPROACH B
Andover	Capitol	1,289	226	702	302
Ansonia	Naugatuck Valley	8,389	654	482	797
Ashford	Northeastern Connecticut	2,068	218	151	143
Avon	Capitol	8,062	1,131	995	832
Barkhamsted	Northwest Hills	1,447	187	34	63
Beacon Falls	Naugatuck Valley	2,668	539	524	387
Berlin	Capitol	8,545	1,052	926	803
Bethany	South Central Connecticut	1,846	408	1,098	314
Bethel	Metropolitan & Western Regions Combined	7,907	1,013	1,085	316
Bethlehem	Naugatuck Valley	1,499	299	518	164
Bloomfield	Capitol	9,544	1,161	1,022	1,686
Bolton	Capitol	2,009	360	693	338
Bozrah	Southeastern Connecticut	1,036	250	290	80
Branford	South Central Connecticut	14,334	1,646	1,232	913
Bridgeport	Metropolitan & Western Regions Combined	59,676	-	991	6,813
Bridgewater	Metropolitan & Western Regions Combined	859	103	1,110	246
Bristol	Naugatuck Valley	26,744	1,250	920	537
Brookfield	Metropolitan & Western Regions Combined	6,961	1,135	1,215	794
Brooklyn	Northeastern Connecticut	3,184	197	137	111
Burlington	Northwest Hills	3,457	341	63	191
Canaan	Northwest Hills	684	120	22	19
Canterbury	Northeastern Connecticut	2,305	186	129	60
Canton	Capitol	4,376	886	780	368
Chaplin	Northeastern Connecticut	939	142	99	183
Cheshire	Naugatuck Valley	10,493	1,435	1,056	907
Chester	Lower Connecticut River Valley	1,679	208	243	356
Clinton	Lower Connecticut River Valley	6,389	392	457	366
Colchester	Southeastern Connecticut	6,410	587	447	240
Colebrook	Northwest Hills	703	102	28	29

MUNICIPALITY	REGION	EXISTING HOUSING STOCK	BASELINE APPROACH	ALTERNATIVE APPROACH A	ALTERNATIVE APPROACH B
Columbia	Capitol	2,218	389	679	181
Cornwall	Northwest Hills	1,009	117	28	17
Coventry	Capitol	5,120	820	722	349
Cromwell	Lower Connecticut River Valley	6,286	323	377	570
Danbury	Metropolitan & Western Regions Combined	34,798	1,220	1,307	194
Darien	Metropolitan & Western Regions Combined	7,567	1,244	1,967	1,229
Deep River	Lower Connecticut River Valley	2,169	199	231	191
Derby	Naugatuck Valley	6,127	612	451	600
Durham	Lower Connecticut River Valley	3,080	364	424	634
East Granby	Capitol	2,125	423	712	309
East Haddam	Lower Connecticut River Valley	4,294	286	333	104
East Hampton	Lower Connecticut River Valley	5,385	359	418	462
East Hartford	Capitol	21,619	963	847	2,846
East Haven	South Central Connecticut	11,863	1,343	1,005	1,457
East Lyme	Southeastern Connecticut	8,936	689	525	361
East Windsor	Capitol	5,485	811	714	495
Eastford	Northeastern Connecticut	734	140	104	37
Easton	Metropolitan & Western Regions Combined	2,646	393	1,256	642
Ellington	Capitol	6,753	933	821	578
Enfield	Capitol	17,457	1,160	1,021	1,358
Essex	Lower Connecticut River Valley	3,328	281	327	87
Fairfield	Metropolitan & Western Regions Combined	22,435	1,990	2,132	2,422
Farmington	Capitol	11,755	1,314	1,156	929
Franklin	Southeastern Connecticut	754	144	276	48
Glastonbury	Capitol	14,551	1,458	1,283	1,271
Goshen	Northwest Hills	1,601	251	46	34

MUNICIPALITY	REGION	EXISTING HOUSING STOCK	BASELINE APPROACH	ALTERNATIVE APPROACH A	ALTERNATIVE APPROACH B
Granby	Capitol	4,467	773	748	431
Greenwich	Metropolitan & Western Regions Combined	25,525	3,261	3,494	745
Griswold	Southeastern Connecticut	5,165	385	293	58
Groton	Southeastern Connecticut	18,285	763	582	757
Guilford	South Central Connecticut	9,773	1,790	1,340	918
Haddam	Lower Connecticut River Valley	3,524	317	369	304
Hamden	South Central Connecticut	25,638	1,731	1,296	3,224
Hampton	Northeastern Connecticut	727	142	109	153
Hartford	Capitol	56,626	-	1,193	5,389
Hartland	Northwest Hills	866	150	30	58
Harwinton	Northwest Hills	2,309	203	37	107
Hebron	Capitol	3,684	613	769	339
Kent	Northwest Hills	1,771	172	32	11
Killingly	Northeastern Connecticut	7,772	308	214	49
Killingworth	Lower Connecticut River Valley	2,713	328	382	279
Lebanon	Southeastern Connecticut	3,210	445	339	261
Ledyard	Southeastern Connecticut	5,958	542	413	320
Lisbon	Southeastern Connecticut	1,699	294	286	135
Litchfield	Northwest Hills	4,117	254	47	70
Lyme	Lower Connecticut River Valley	1,145	234	346	122
Madison	South Central Connecticut	8,020	1,313	1,510	906
Manchester	Capitol	26,465	1,395	1,228	1,720
Mansfield	Capitol	6,141	653	575	173
Marlborough	Capitol	2,208	413	735	449
Meriden	South Central Connecticut	26,804	1,296	970	1,727
Middlebury	Naugatuck Valley	3,071	626	683	289
Middlefield	Lower Connecticut River Valley	1,933	256	298	371
Middletown	Lower Connecticut River Valley	22,165	337	392	1,553
Milford	South Central Connecticut	23,893	2,336	1,748	1,857

MUNICIPALITY	REGION	EXISTING HOUSING STOCK	BASELINE APPROACH	ALTERNATIVE APPROACH A	ALTERNATIVE APPROACH B
Monroe	Metropolitan & Western Regions Combined	6,573	936	1,302	1,347
Montville	Southeastern Connecticut	6,964	497	379	532
Morris	Northwest Hills	1,334	166	31	57
Naugatuck	Naugatuck Valley	13,135	920	677	1,222
New Britain	Capitol	32,499	837	737	2,328
New Canaan	Metropolitan & Western Regions Combined	7,668	1,182	1,875	818
New Fairfield	Metropolitan & Western Regions Combined	5,137	644	1,240	1,147
New Hartford	Northwest Hills	2,954	229	42	76
New Haven	South Central Connecticut	59,626	-	1,069	1,140
New London	Southeastern Connecticut	12,514	341	260	290
New Milford	Metropolitan & Western Regions Combined	11,606	1,082	1,159	1,474
Newington	Capitol	13,334	1,128	993	1,442
Newtown	Metropolitan & Western Regions Combined	9,965	1,283	1,375	985
Norfolk	Northwest Hills	947	128	24	21
North Branford	South Central Connecticut	5,275	921	1,019	709
North Canaan	Northwest Hills	1,497	108	20	31
North Haven	South Central Connecticut	9,892	1,771	1,326	1,139
North Stonington	Southeastern Connecticut	2,272	359	342	139
Norwalk	Metropolitan & Western Regions Combined	38,038	1,748	1,873	595
Norwich	Southeastern Connecticut	19,057	444	339	856
Old Lyme	Lower Connecticut River Valley	4,557	388	452	422
Old Saybrook	Lower Connecticut River Valley	5,983	437	509	306
Orange	South Central Connecticut	5,388	1,067	1,272	931
Oxford	Naugatuck Valley	5,091	1,033	760	458
Plainfield	Northeastern Connecticut	6,264	201	139	197
Plainville	Capitol	8,511	780	687	794
Plymouth	Naugatuck Valley	5,080	759	559	322

MUNICIPALITY	REGION	EXISTING HOUSING STOCK	BASELINE APPROACH	ALTERNATIVE APPROACH A	ALTERNATIVE APPROACH B
Pomfret	Northeastern Connecticut	1,730	186	129	83
Portland	Lower Connecticut River Valley	3,961	312	363	515
Preston	Southeastern Connecticut	2,100	357	326	151
Prospect	Naugatuck Valley	3,546	666	660	464
Putnam	Northeastern Connecticut	4,295	141	98	190
Redding	Metropolitan & Western Regions Combined	3,684	718	1,234	710
Ridgefield	Metropolitan & Western Regions Combined	9,836	1,357	1,454	1,586
Rocky Hill	Capitol	9,308	987	869	1,329
Roxbury	Northwest Hills	1,354	198	36	60
Salem	Southeastern Connecticut	1,738	293	322	239
Salisbury	Northwest Hills	2,484	234	43	17
Scotland	Northeastern Connecticut	600	131	93	131
Seymour	Naugatuck Valley	6,436	852	628	449
Sharon	Northwest Hills	1,833	195	36	9
Shelton	Naugatuck Valley	16,578	1,595	1,174	1,240
Sherman	Metropolitan & Western Regions Combined	1,954	192	1,047	330
Simsbury	Capitol	9,557	1,216	1,070	692
Somers	Capitol	3,558	843	742	338
South Windsor	Capitol	10,133	1,303	1,147	1,092
Southbury	Naugatuck Valley	8,826	1,055	776	661
Southington	Capitol	18,260	1,433	1,261	1,048
Sprague	Southeastern Connecticut	1,195	226	228	83
Stafford	Capitol	4,902	746	656	87
Stamford	Metropolitan & Western Regions Combined	57,958	2,346	2,513	879
Sterling	Northeastern Connecticut	1,329	140	97	75
Stonington	Southeastern Connecticut	9,615	704	537	282
Stratford	Metropolitan & Western Regions Combined	21,880	1,216	1,302	3,056
Suffield	Capitol	5,585	929	818	474
Thomaston	Naugatuck Valley	3,328	650	537	379
Thompson	Northeastern Connecticut	4,269	209	145	180

MUNICIPALITY	REGION	EXISTING HOUSING STOCK	BASELINE APPROACH	ALTERNATIVE APPROACH A	ALTERNATIVE APPROACH B
Tolland	Capitol	5,348	937	825	620
Torrington	Northwest Hills	17,047	250	46	242
Trumbull	Metropolitan & Western Regions Combined	12,468	1,468	1,572	2,360
Union	Northeastern Connecticut	429	65	89	155
Vernon	Capitol	14,335	896	788	301
Voluntown	Northeastern Connecticut	1,173	143	100	45
Wallingford	South Central Connecticut	19,573	1,797	1,345	1,563
Warren	Northwest Hills	730	132	32	22
Washington	Northwest Hills	1,878	224	41	27
Waterbury	Naugatuck Valley	50,577	-	776	2,750
Waterford	Southeastern Connecticut	8,929	769	586	567
Watertown	Naugatuck Valley	9,309	963	709	601
West Hartford	Capitol	27,427	1,750	1,541	2,630
West Haven	South Central Connecticut	21,884	1,289	965	1,914
Westbrook	Lower Connecticut River Valley	4,180	248	288	123
Weston	Metropolitan & Western Regions Combined	3,845	512	1,532	776
Westport	Metropolitan & Western Regions Combined	10,326	1,495	2,241	1,062
Wethersfield	Capitol	11,833	1,069	941	2,089
Willington	Capitol	2,793	549	542	180
Wilton	Metropolitan & Western Regions Combined	6,474	1,022	1,616	1,341
Winchester	Northwest Hills	5,643	130	24	95
Windham	Southeastern Connecticut	9,891	-	209	618
Windsor	Capitol	11,904	1,389	1,222	1,961
Windsor Locks	Capitol	5,483	944	831	725
Wolcott	Naugatuck Valley	6,383	957	704	528
Woodbridge	South Central Connecticut	3,408	593	1,328	642
Woodbury	Naugatuck Valley	4,704	790	673	332
Woodstock	Northeastern Connecticut	3,811	251	174	204
TOTAL	**-**	**1,536,049**	**117,234**	**119,616**	**119,616**

Appendix C: Methods to Determine Regions

Public Act 23-207 directed this study to prepare estimates of fair share housing need for each of the state's planning regions, with the Metropolitan and Western regions combined. There are nine planning regions in Connecticut aligned with the Councils of Governments (COGs). However, most of the publicly available data rely on census geographies called Public Use Microsample Areas (PUMAs). To overcome the spatial mismatch, this analysis relied on the U.S. Department of Housing and Urban Development's (HUD) Consolidated Housing Affordability Survey (CHAS) data as well as data from the Census Bureau's American Community Survey (ACS), which align with the planning regions. In addition, this analysis did a spatially weighted aggregation of data that did not align with the planning regions to overcome the issue. This analysis uses several types of data. Most are collected at the regional or state level. Some are calculated at the PUMA level, then summed to regions and to the state.

Figure 3. Connecticut Planning Regions

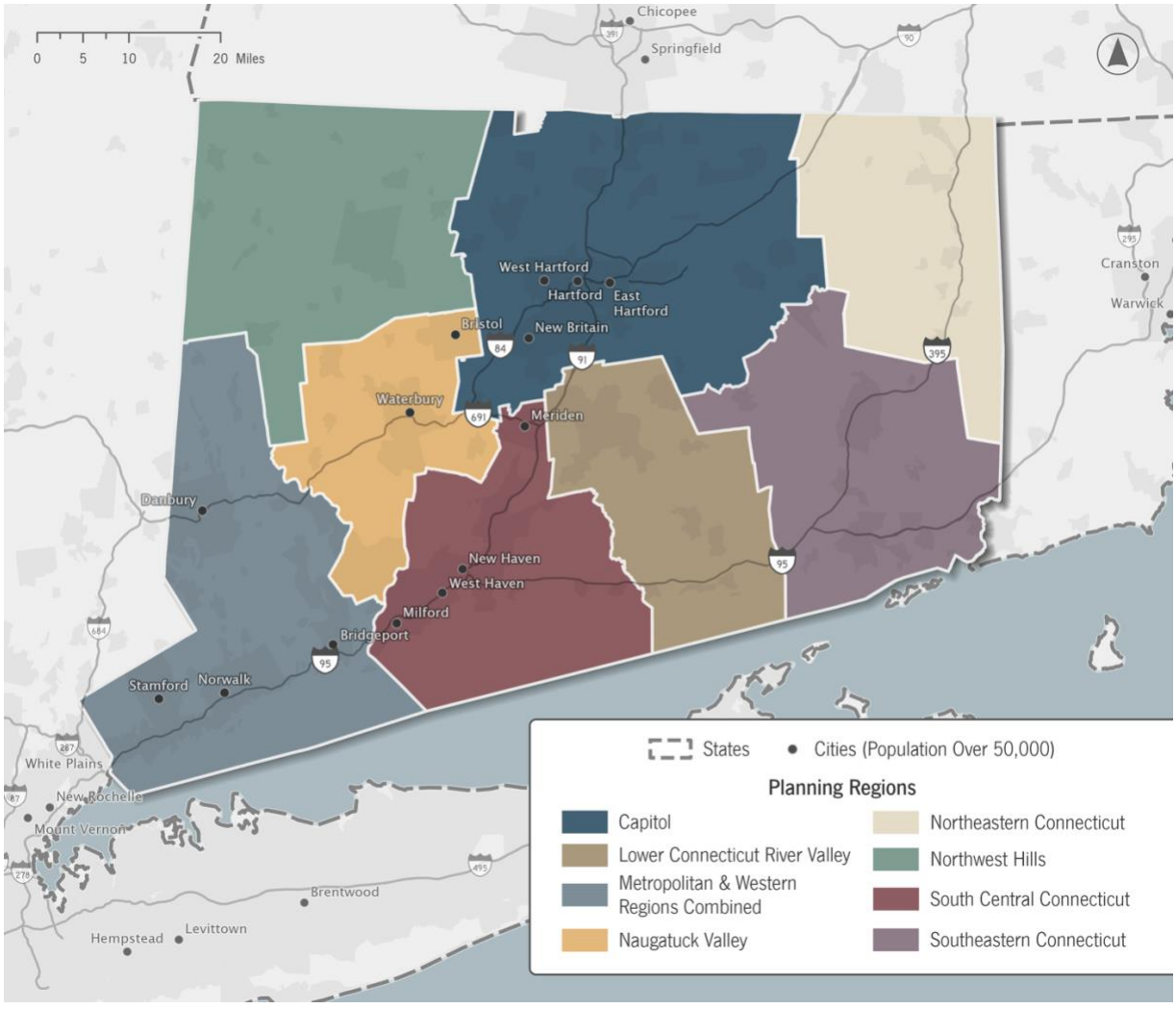
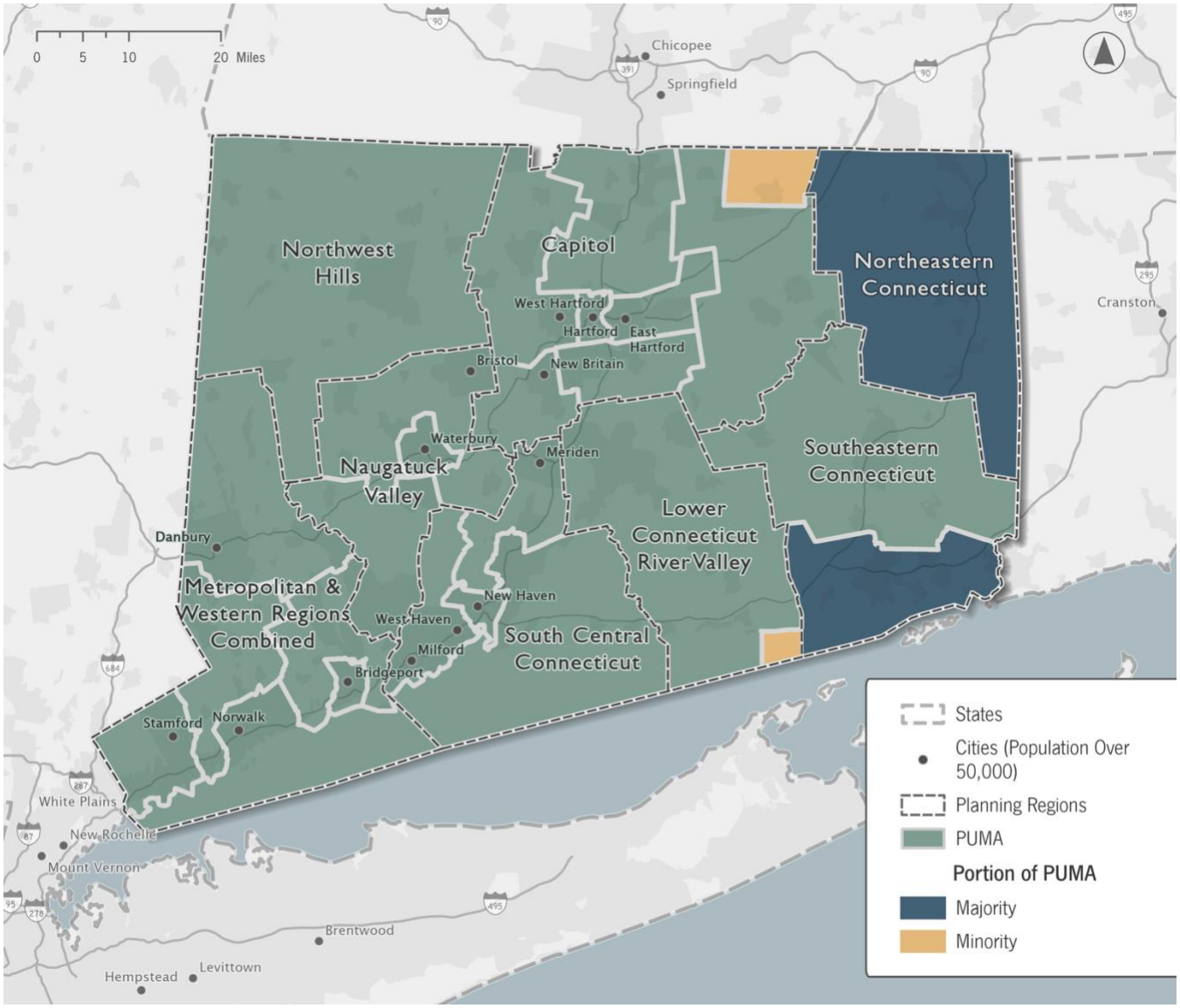


Figure 4. ECOnorthwest Alignment of Census PUMA Boundaries and Connecticut Planning Regions



Appendix D: Methods to Estimate Housing Need

This appendix offers detailed information and data sources on the three approaches used to estimate housing need outlined in chapter 4. This information was published in a memorandum dated January 29, 2025, and then revised in a memorandum dated March 31, 2025. This appendix and the information outlined in the main body of the report are from the revised memo.

Baseline Approach to Estimating Needs

Public Act 23-207 prescribed a methodology to estimate and allocate fair share housing needs that was based on a methodology developed by the Open Communities Alliance (OCA) in 2020. This report updated the data used in the OCA model and refers to this approach as the Baseline. The Baseline Approach to Estimating Needs seeks to determine Connecticut's current need for affordable housing among lower-income households and to establish a method for fairly allocating this need across regions and towns.

The data have been updated using 2023 Census data and identify a statewide need of 133,136 housing units across Connecticut, calculated based on the number of extremely low-income households facing severe cost burden (spending more than 50% of gross income on housing). The estimate of needs by region is shown in Figure 5 below.

Figure 5. Baseline Approach to Estimating Needs Statewide and by Region 2023

Source: ECOnorthwest update of Open Communities Alliance Fair Share Housing Model

REGION	TOTAL UNITS NEEDED
Capitol	37,261
Lower CT River Valley	5,330
Metropolitan & Western Regions Combined	34,446
Naugatuck Valley	16,970
Northeast CT	2,893
Northwest Hills	4,031
South Central	23,321
Southeastern CT	8,883
TOTAL NEEDS IN CONNECTICUT	133,136

Although there are nine regions in Connecticut, Public Act 23-207 directed this study to combine the Metropolitan and Western regions. Appendix C provides more information on methods to create the regions.

UNITS BY INCOME LEVEL

The Baseline Approach to Estimating Needs' primary objective is to determine the quantity of affordable housing required to ensure stability and affordability for vulnerable

households. Specifically, it focuses on individuals earning 30% or less of Area Median Income (AMI) who are severely cost burdened, meaning they spend over 50% of their income on housing. All units estimated in this approach are needed in the 0-30% AMI level.

Alternative Approaches to Estimating Needs

In reviewing methodologies to estimate housing needs in other states and in working with stakeholders, legislators, and the technical expert panel, this analysis developed two Alternative Approaches to Estimating Needs. Both focus on the current need for housing and do not estimate future need for housing. This is due to several factors, the primary being that Connecticut does not have an official, regularly updated population forecast, and where forecasts do exist, they do not show population growth.

In both Alternative Approaches to Estimating Needs, current need contains three components (see Figure 6):

1. Estimates of current underproduction
2. Estimates of housing units needed for people experiencing homelessness
3. Estimates of housing units needed to solve for a structural mismatch of the affordability of the housing stock compared to the number of households with incomes that align with the stock

The two Alternative Approaches to Estimating Needs differ in the income range for the structural mismatch. All three components of need are explored in greater detail below.

Figure 6. Graphic Illustrating Two Alternative Approaches to Estimating Housing Need

Data

Data primarily come from the 2023 Census 1-year American Community Survey Public Use Microsample (PUMS) Data. Income data come from HUD.

Regions

All Approaches use the same planning regions. Although there are nine regions in Connecticut, Public Act 23-207 directed this study to combine the Metropolitan and Western regions. Appendix C provides more information on methods to create the regions.

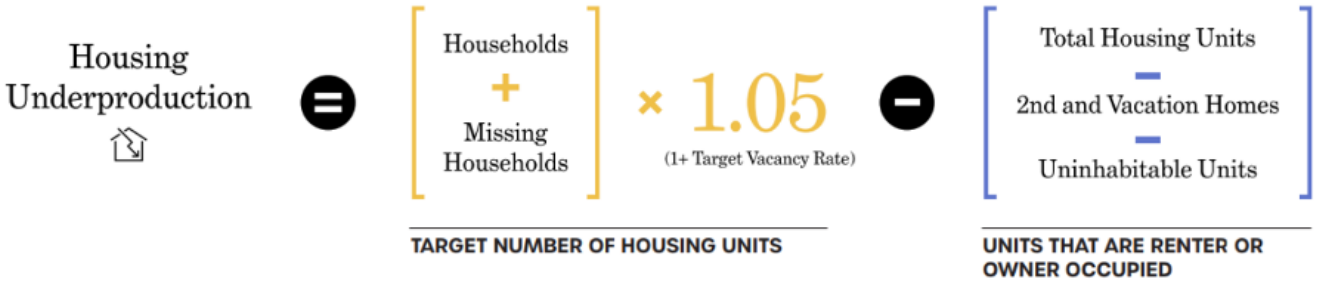
In each Alternative Approach to Estimating Needs, calculations generally use regional data (estimates of households, people experiencing homelessness, incomes, and cost burdening) and are then summed to the state level.

- Underproduction is calculated at the PUMA level, summed to regions, and then summed to the state.
- Housing units for people experiencing homelessness are provided by HUD and are statewide. Estimates are allocated to regions based on their share of the statewide total number of 0-30% AMI households.
- Housing units needed after accounting for underproduction in each mismatch component are estimated at the regional level and summed to the state.

Estimating Underproduction

Both Alternative Approaches to Estimating Needs estimate current underproduction, which is the number of housing units Connecticut would need to meet existing demand (excluding those experiencing homelessness, described separately below). This method is adopted from the Up for Growth organization[1] and adapted in Oregon's 2025 Housing Needs Analysis (OHNA) methodology.[2] The method compares current supply to an adjusted measure of demand to identify where housing stock falls short.

Figure 7. Up for Growth Housing Underproduction Methodology



[1] Up for Growth is a national nonprofit housing policy research organization. It is a membership network and ECOnorthwest is a member. In addition, Dr. Wilkerson, the lead author of this study, is a nonresident fellow. ECOnorthwest provides technical analysis for Up for Growth's underproduction methodology and other policy topics.

[2] ECOnorthwest led Oregon's technical work in developing the OHNA methodology.

As shown in Figure 7, this methodology adjusts the total housing stock to identify the target number of housing units needed and adjusts the total number of households to identify the total demand for housing. When total demand exceeds adjusted stock, underproduction occurs. The methodology includes two key adjustments:

Adjusted Demand: To estimate the target number of housing units demanded, the number of existing households is adjusted. The first adjustment is the inclusion of an estimate of "missing households"—those who would likely form independent households if housing were more available and affordable. This is based on changes in household formation rates by age group. The second adjustment is the application of a target vacancy rate of 5% to reflect a well-functioning housing market. This adjusted demand for housing attempts to estimate the total number of housing units a region *should have* to accommodate current demand with a healthy level of vacancy.

Adjusted Supply: To estimate the actual number of housing units available for year-round occupancy, the existing housing stock is also adjusted. The estimate of current housing stock then removes units that are uninhabitable (e.g., lacking plumbing or kitchens, or vacant for over a year) and those used for seasonal or recreational purposes. This component attempts to provide a more accurate reflection of total year-round housing supply.

TOTAL UNITS NEEDED

This component estimates that as of 2023, Connecticut had approximately 36,000 units of underproduction—units that should have been produced to bring supply into balance with demand for its existing households.

UNDERPRODUCED UNITS BY INCOME LEVEL

To estimate how underproduction affects different income levels, the shortfall is distributed based on the income profile of cost-burdened renter households in each region. Renter cost burden is a useful proxy for demand, given that renters are more likely to experience housing instability and displacement in tight markets. While homeowners can also be cost burdened, mortgage payments are often fixed and tied to income, making renters a more appropriate indicator of housing market strain.

Estimating Units Needed for People Experiencing Homelessness

Both Alternative Approaches to Estimating Needs include an estimate of the number of housing units needed for people experiencing homelessness using the official HUD estimates of homelessness from the Point-in-Time Count. This is a separate estimate from housing underproduction because people experiencing homelessness are largely omitted from Census data, which the underproduction estimates rely on.

TOTAL UNITS NEEDED

According to HUD, Connecticut had 3,015 households experiencing homelessness in 2024.

UNITS BY INCOME LEVEL

Homelessness is a statewide estimate that is allocated to regions based on their share of total households earning 0-30% of AMI. Therefore, all units are assumed to be needed in the 0-30% AMI income level.

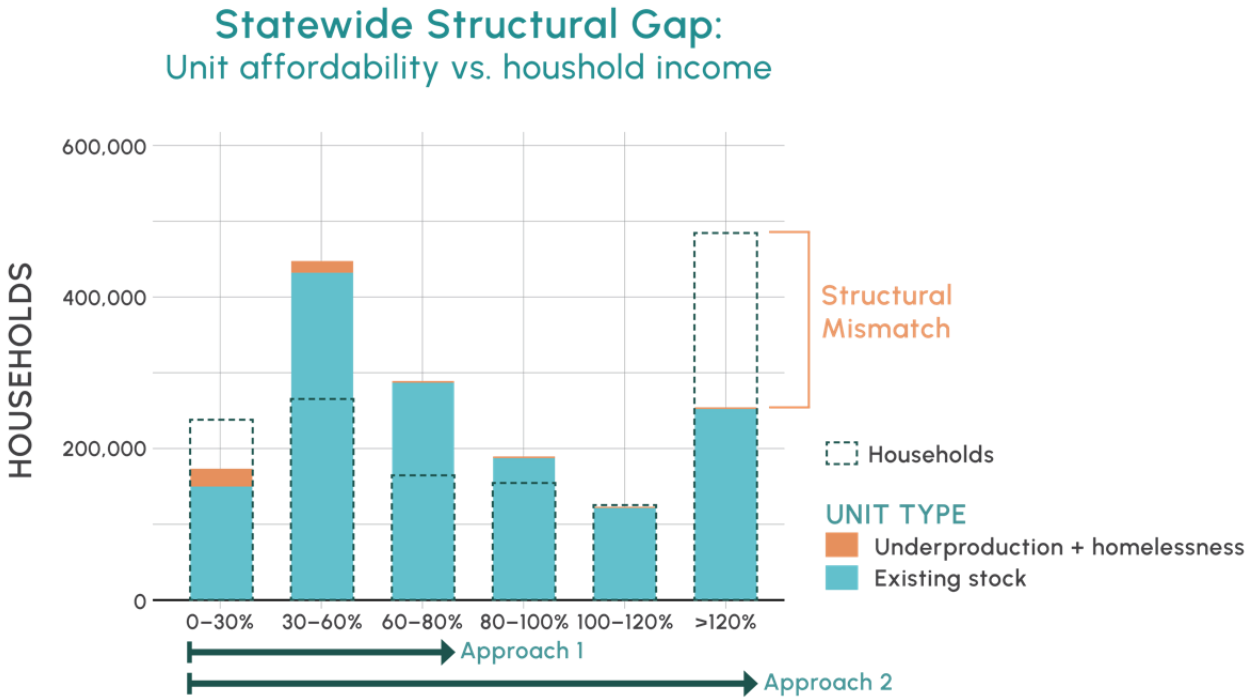
Structural Mismatches

The final component of housing need accounts for structural mismatches between household incomes and the affordability of available housing stock. This method evaluates whether the current distribution of housing units by price aligns with the distribution of households by income—specifically, whether households at each income level can access housing affordable at that level.[3]

A housing unit is considered affordable if a household spends less than 30% of its gross income on housing costs (rent and utilities), a standard defined by HUD and widely used in housing needs assessments.[4] However, because real-world housing markets do not match households to units perfectly, the structural mismatch component focuses on systemic gaps rather than individual behavior. Households may occupy a unit at a different affordability threshold for many reasons—because they have no other choice, because they want to lower their costs, or because they have wealth and can afford to be cost burdened. This analysis isolates the degree to which aggregate supply fails to meet demand at specific income tiers.[5] Each of the Alternative Approaches to Estimating Needs applies this structural mismatch logic, but the relevant income bands are defined differently as shown in Figure 8.

[3] HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2017–2021.
[4] U.S. Department of Housing and Urban Development, 2014, "Rental Burdens: Rethinking Affordability Measures," https://www.huduser.gov/portal/pdredge/pdr_edge_featd_article_092214.html
[5] HUD CHAS data, 2017–2021.

Figure 8. Structural Mismatches in Alternative Approaches to Estimating Needs



Across Connecticut, large mismatches occur at every income level. As shown in Figure 8, if the dashed bar exceeds the solid bars (the existing stock and the estimated number of units needed for underproduction and homelessness), there are too few housing units in that income level compared to the number of households in that income level. If the solid bars exceed the dashed bar, there is a surplus of housing units in that income level compared to the number of households.

As the figure demonstrates, there are too few housing units in the 0-30% AMI level and in the 120%+ AMI level, while there are more units than households in the middle-income levels. Figure 8 is aggregated at the state level, but these mismatches differ for each region. This type of structural mismatch is quite common; in many markets, the number of households exceeds the number of affordably priced units in the lowest and highest income levels. With too few units, these households crowd into excess units in the middle-income levels.

To account for the structural mismatch and operationalize the analysis, this component assumes the following:

- Applies the same 5% target vacancy rate as the underproduction component by multiplying the current number of households within each affordability bin by 1.05. The resulting number represents an estimate of adjusted "household demand."[6]

[6] Up for Growth, *Housing Underproduction in the U.S.*, 2022; Oregon Housing Needs Analysis (OHNA), 2025.

- Compares this adjusted demand to the estimated number of year-round housing units needed at each income level, excluding second homes and uninhabitable units.[7]
- The gap between this number and the estimated number of current housing units (excluding 2nd/vacation homes) is the structural mismatch component of total housing need.

An important point to highlight in this methodology is that surpluses at one income level are not netted out against deficits at another. For example, an oversupply of units at 60–80% AMI does not reduce the need for deeply affordable units at 0–30% AMI. This method reflects the reality that lower-income households often live in more expensive units out of necessity and remain cost burdened despite the availability of moderate-income housing.[8] Households in Connecticut earning 0-30% of AMI would be (and are) cost burdened when occupying these higher-cost units. This gap between what is available and what is needed is what the analysis is solving for.

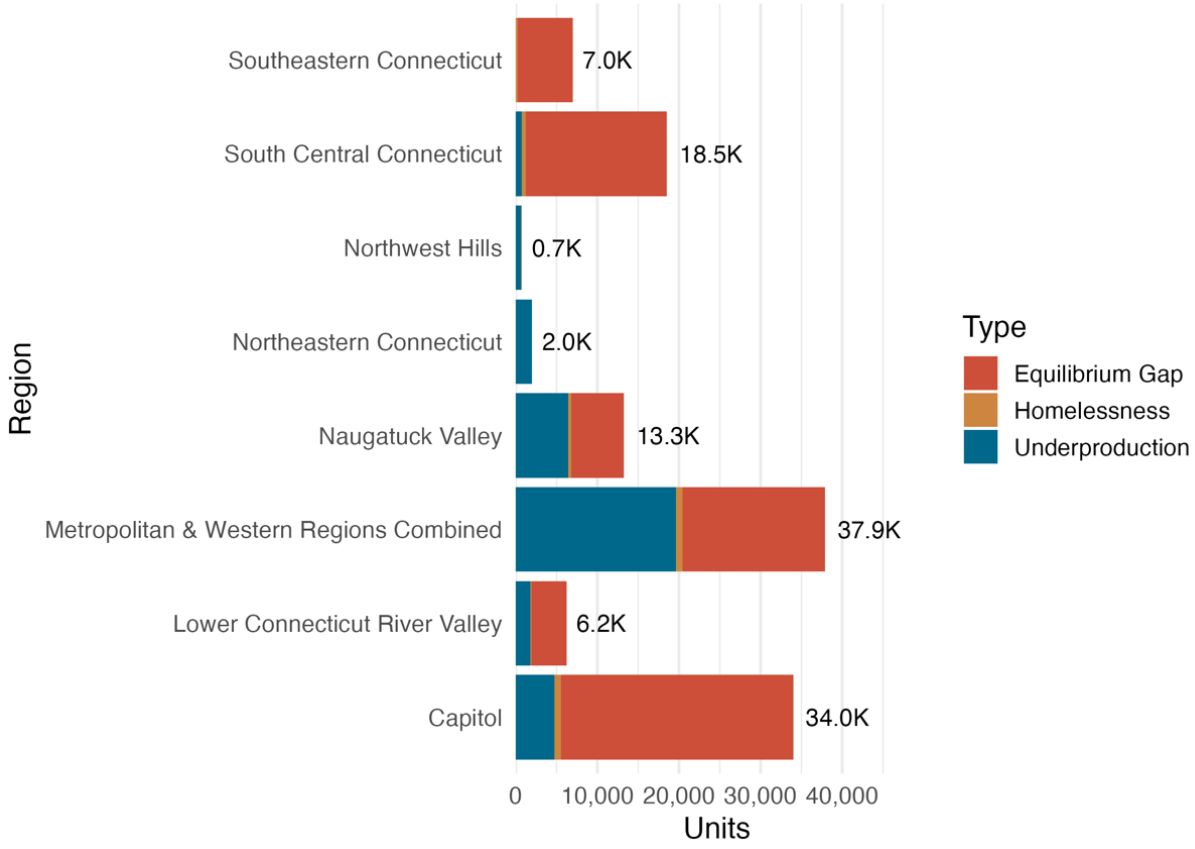
ALTERNATIVE APPROACH 1 TO ESTIMATING NEEDS: STRUCTURAL HOUSING MISMATCH UNDER 80% AMI

As shown in Figure 8, Alternative Approach 1 to Estimating Needs looks at the structural mismatch for households earning less than 80% of AMI. This focus reflects a key policy assumption that the private market does not reliably produce housing for lower-income households and addressing affordability gaps in this segment requires targeted public investment and planning.[9]

This Alternative Approach 1 to Estimating Needs captures the scale of affordability challenges in the lower half of the income spectrum without assuming that housing markets self-correct through filtering or trickle-down effects. After accounting for underproduction (36,000 units) and homelessness (3,000 units), the statewide structural mismatch adds approximately 80,600 units, resulting in a total estimated need of 119,600 units under Alternative Approach 1. The vast majority of this need—over 80%—falls within the 0–30% AMI range.[10] Figure 9 shows the breakdown by component of need for each region.

[7] U.S. Census Bureau, American Community Survey 2023 1-year PUMS data.
[8] ECOnorthwest, *CT Fair Share Housing Study – HNA Approaches Memo*, January 2025.
[9] National Low Income Housing Coalition, *The Gap: A Shortage of Affordable Homes*, 2023.
[10] ECOnorthwest analysis based on Up for Growth methodology, adapted to Connecticut data.

Figure 9. Alternative Approach 1 to Estimating Housing Needs: Structural Gap for Low-Income Households – by Region 2023



Alternative Approach 1 to Estimating Needs sums the estimated units needed in each region from each component, estimating that Connecticut would need approximately 120,000 units of housing to bring housing demand and supply into better equilibrium. As shown in

Figure 10, the vast majority of these units are needed in the 0-30% income level.

- **Underproduction** accounts for about 36,000 units.
  - Units are allocated across the entire income spectrum according to the rate of renter cost burden in each region.
- **Units for people experiencing homelessness** accounts for about 3,000 units.
  - Units are allocated solely to households in the 0-30% AMI level.
- **The structural housing mismatch** accounts for about 81,000 units.
  - Units are calculated (and allocated) by income level as noted above.

Figure 10. Alternative Approach 1 to Estimating Needs: Housing Need for Low-Income Households by Income Level 2023

INCOME LEVEL	# OF UNITS	% OF UNITS
0-30%	100,003	84%
31-60%	14,650	12%
61-80%	3,047	3%
81-100%	860	1%
101-120%	406	0%
>120%	650	1%
Total	119,616	100%

Although this approach is primarily focused on the need for housing units under 80% AMI, some units are allocated to higher income levels from the underproduction component of need.

ALTERNATIVE APPROACH 2 TO ESTIMATING NEEDS: STRUCTURAL HOUSING MISMATCH AT ALL INCOME LEVELS

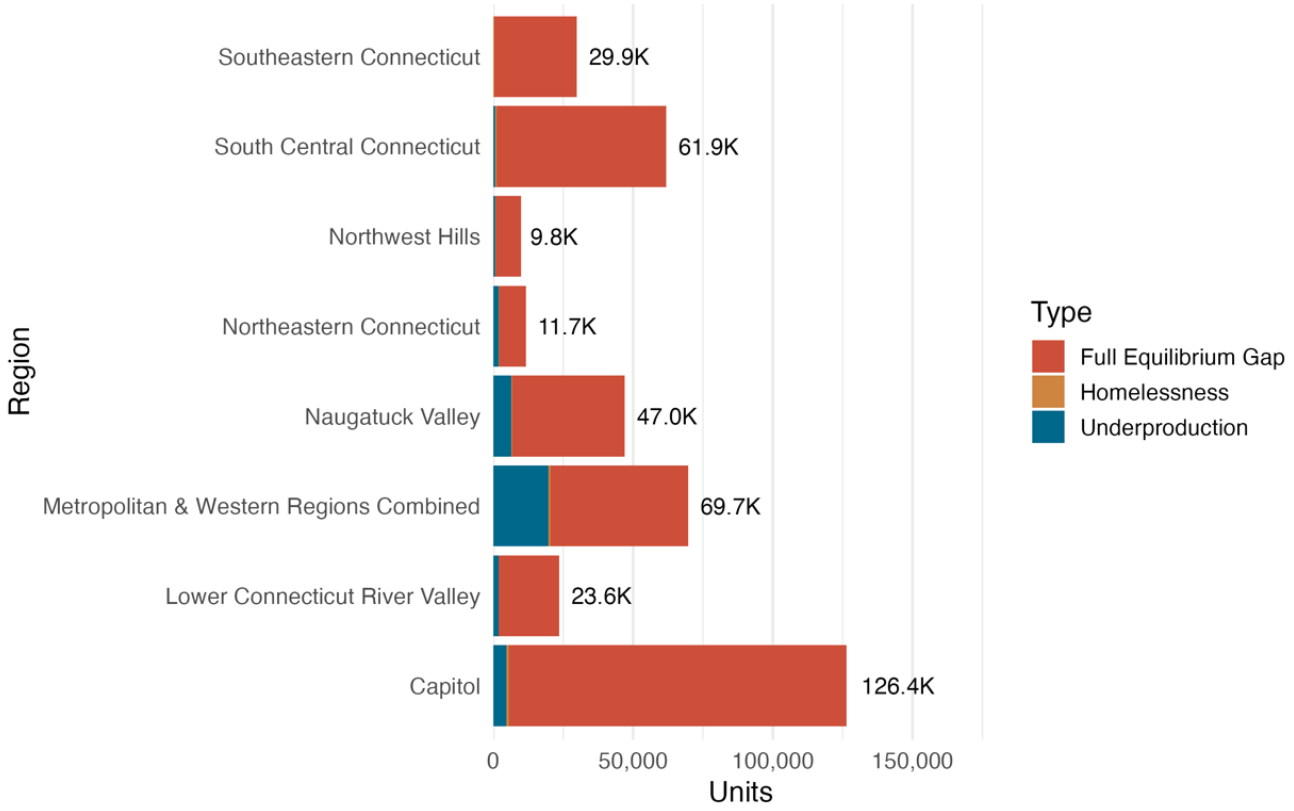
Alternative Approach 2 to Estimating Needs expands the definition of structural mismatch to include affordability gaps across all income levels. This broader framing recognizes that housing pressures are shaped by demand at the top of the income distribution as well as the bottom. In high-cost regions—particularly those influenced by proximity to New York City—upper-income households exert significant pressure on limited housing supply, often outbidding middle- and lower-income households for the same units.[11]

In markets where upper-income households lack housing options, they often compete for and occupy units affordable to moderate- and middle-income households, exacerbating displacement and cost burdens further down the income ladder.[12] By quantifying this upward pressure, Alternative Approach 2 to Estimating Needs offers a more complete picture of housing market imbalances and their cascading effects.

Connecticut would need an additional 256,000 units in the 120%+ AMI level to meet demand in this income range and solve for equilibrium at all income levels. Figure 11 shows the breakdown by component of need for each region.

[11] ECOnorthwest, *CT Fair Share Housing Study – HNA Approaches Memo*, January 2025.
[12] Up for Growth, *Housing Underproduction in the U.S.*, 2022.

Figure 11. Alternative Approach 2 to Estimating Needs: Structural Gap at all Incomes by Region 2023



Together with estimated underproduction, homelessness, and the structural mismatch for households at all income levels, Alternative Approach 2 to Estimating Needs suggests that Connecticut needs about 380,000 units of housing to bring housing demand and supply into equilibrium. As shown in Figure 12 the majority of these units are needed in the 120%+ of AMI level, followed by the 0-30% of AMI level.

- **Underproduction** accounts for about 36,000 units.
  - Units are allocated across the entire income spectrum according to the rate of renter cost burden in each region.
- **Units for people experiencing homelessness** accounts for about 3,000 units.
  - Units are allocated solely to households in the 0-30% AMI level.
- **Structural housing mismatch** at all income levels accounts for about 341,000 units.
  - 81,000 at 0-80% AMI from Alternative Approach 1 + 260,000 units at 80%+ AMI.
  - Units are calculated (and allocated) by income level as noted above.

Figure 12. Alternative Approach 2 to Estimating Needs: Housing Need at all Incomes by Income Level 2023

INCOME LEVEL	# OF UNITS	% OF UNITS
0-30%	100,003	26%
31-60%	14,650	4%
61-80%	3,047	1%
81-100%	3,057	1%
101-120%	2,878	1%
>120%	256,332	67%
TOTAL	379,966	100%

Appendix E: Methods to Allocate Housing Need from Regions to Municipalities

This appendix offers detailed information and data sources on the three approaches used to allocate housing need outlined in chapter 5. This information was published in a memorandum dated March 31, 2025.

Baseline Approach to Allocating Needs

The Baseline Approach to Allocating Needs distributes units from each region to each municipality using four policy variables; it excludes high-poverty municipalities and caps the allocation at 20% of the existing stock of housing units. The first step is to create an allocation weight, which is the average of four factors:

a) The local jurisdiction's share of the region's valuation of taxable property,

b) The local jurisdiction's share of the regional household income differences,

c) The local jurisdiction's poverty rate, and

d) The share of the local jurisdiction's housing stock that is multifamily housing

These four factors are equally weighted and applied to the results from the Baseline Approach to Estimating Needs. Second, the Baseline Approach to Allocating Needs methodology exempts cities and towns that have the highest poverty rates to avoid concentrating poverty. The methodology removes these cities from receiving any housing need and reallocates the regional need to the remaining municipalities. Third, the methodology caps any jurisdiction's allocation at no more than 20% of its existing housing stock. It does not reallocate the capped unit maximums to other jurisdictions (see callout box below). The methodology sets production targets assuming that jurisdictions should develop these needed units over a 10-year time frame.

The Baseline Approach to allocating units from regions to municipalities caps the number of housing units a municipality can receive to 20% of its existing housing stock. Unlike the screen for high-poverty towns, the housing units exceeding a municipality's 20% cap are not reallocated to the remaining municipalities within the region. This results in fewer total units being distributed than are estimated as needed across the state.

While the Baseline Approach estimates that 133,136 units of housing are needed across the state, only 117,234 units are allocated to municipalities due to the 20% cap.

The results for each municipality, in comparison to the two Alternative Approaches to Allocating Needs, are displayed in Appendices A and B.

Alternative Approaches to Allocating Needs

ALTERNATIVE APPROACH A TO ALLOCATING NEEDS: ADJUSTED BASELINE

Alternative Approach A to Allocating Needs builds from the Baseline Approach to Allocating Needs but with the following two methodological adjustments:

1) Does not screen out the highest-poverty municipalities from receiving any needed housing, and

2) Does not cap local allocations at 20% of a municipality's total existing housing stock.

Stakeholders and the technical expert panel discussed concerns related to concentrating affordable housing in low-income neighborhoods. Feedback generally indicated that concerns about concentration of poverty are primarily neighborhood specific, rather than municipality specific, so screening out entire municipalities would reinforce historical underinvestment in those communities. In addition, feedback also suggested that in many of these communities, the need for more housing that is affordable to low-income households could outweigh concerns about further concentration of poverty.

Capping the number of housing units a jurisdiction could receive to 20% of its existing housing stock has more to do with how the fair share study would be implemented and less to do with policy considerations or a municipality's ability to absorb new housing units. The Baseline Approaches to Estimating and Allocating Needs and parallel implementation policies assumed a 10-year implementation cycle, but many states plan for 20 years of housing need. Rather than applying an arbitrary cap, feedback from the technical expert panel was to fully allocate needed housing units based on the policy priorities and that the implementation should consider topics around absorption and the duration of the planning period.

ALTERNATIVE APPROACH B TO ALLOCATING NEEDS: PRODUCTION-AFFORDABILITY-ACCESS

Alternative Approach B to Allocating Needs uses three equally weighted factors to distribute needed housing units from regions to municipalities, broadly termed *affordability*, *production*, and *access to jobs*. In conversations with policymakers, local stakeholders, and the technical expert panel, these three variables emerged as policy priorities that are applicable in Connecticut and have reliable consistent data.

Alternative Approach B to Allocating Needs distributes the same estimate of need as Alternative Approach A but instead uses three policy variables, which are then averaged to arrive at the final "blended" allocation weights used to distribute housing need to each municipality. Two of these weights (housing affordability and production) use the regional control total (the region's unit count determined in the Alternative Regional Need), while the final variable (job accessibility) uses statewide need and is not constrained by regional

control totals. Figure 15 provides two maps demonstrating the rationale for the preference of statewide jobs access rather than regional jobs access.

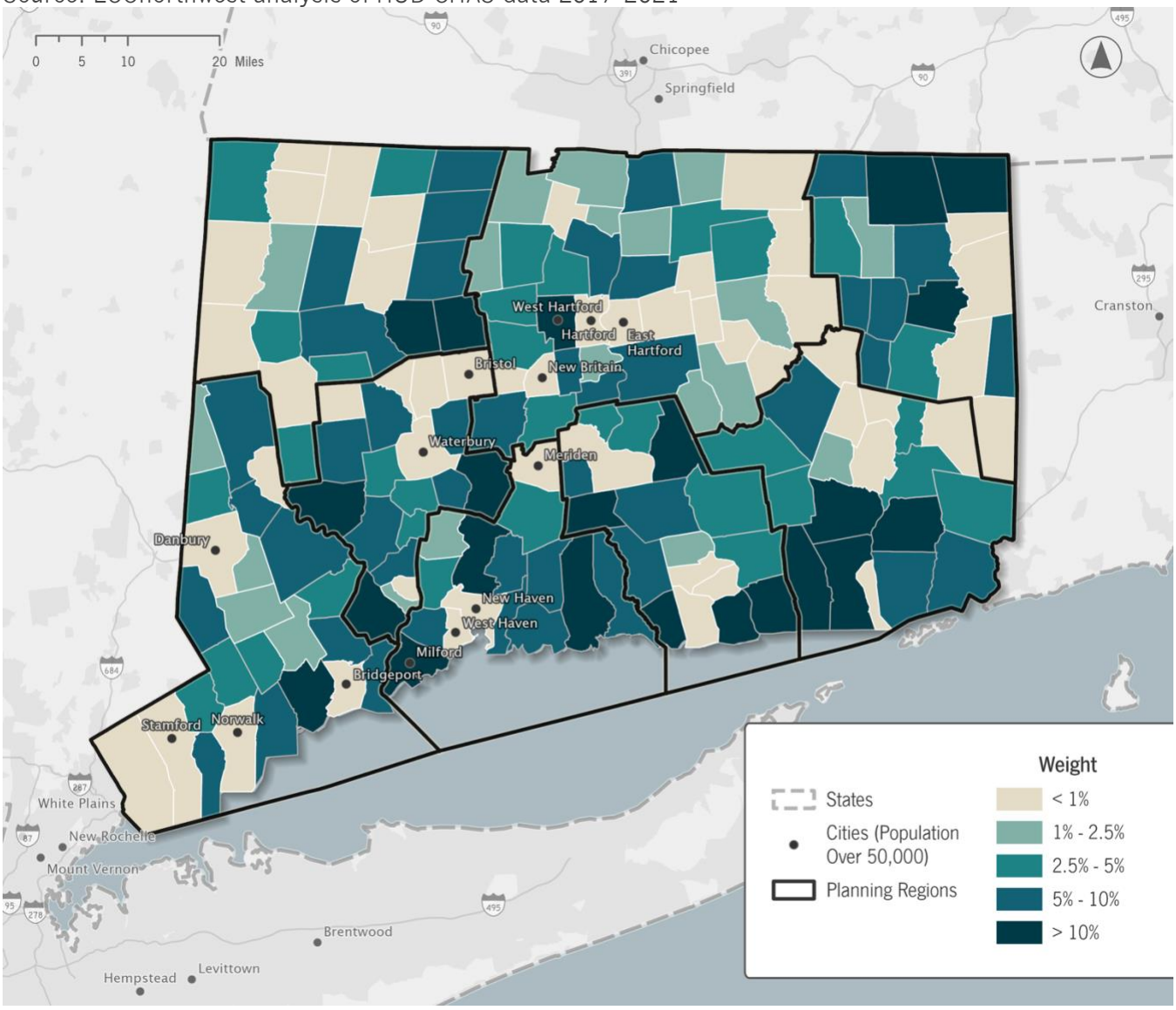
As a result of using this statewide job accessibility, the total number of units at the regional level differs between the two Alternative Approaches to Allocating Needs, primarily impacting the totals in the Capitol and combined Metro & Western regions. This reflects the reality that commuters do not limit their job search to the confines of the region of their residence.

Housing Affordability

- Data source used: HUD CHAS 2017-2021
- Method: This allocation variable calculates the share of total housing stock that is affordable to renters earning 0-50% AMI at both the regional and municipal levels (regional and municipal affordability rates). For the purpose of local allocation, the number of units each municipality would need to have its municipal affordability rate reach parity with the regional affordability rate is calculated. These nominal totals are then converted to shares of the total number of units needed in the region for each municipality's affordability rate to equal the region's affordability rate. Municipalities with higher affordability rates than their region's affordability rate are not allocated a share, and municipalities with the largest difference from the regional affordability rate are allocated the highest share. This share is the weighting factor applied to the total regional housing need.

Figure 13. Map of Housing Affordability Allocation Factor

Source: ECOnorthwest analysis of HUD CHAS data 2017-2021



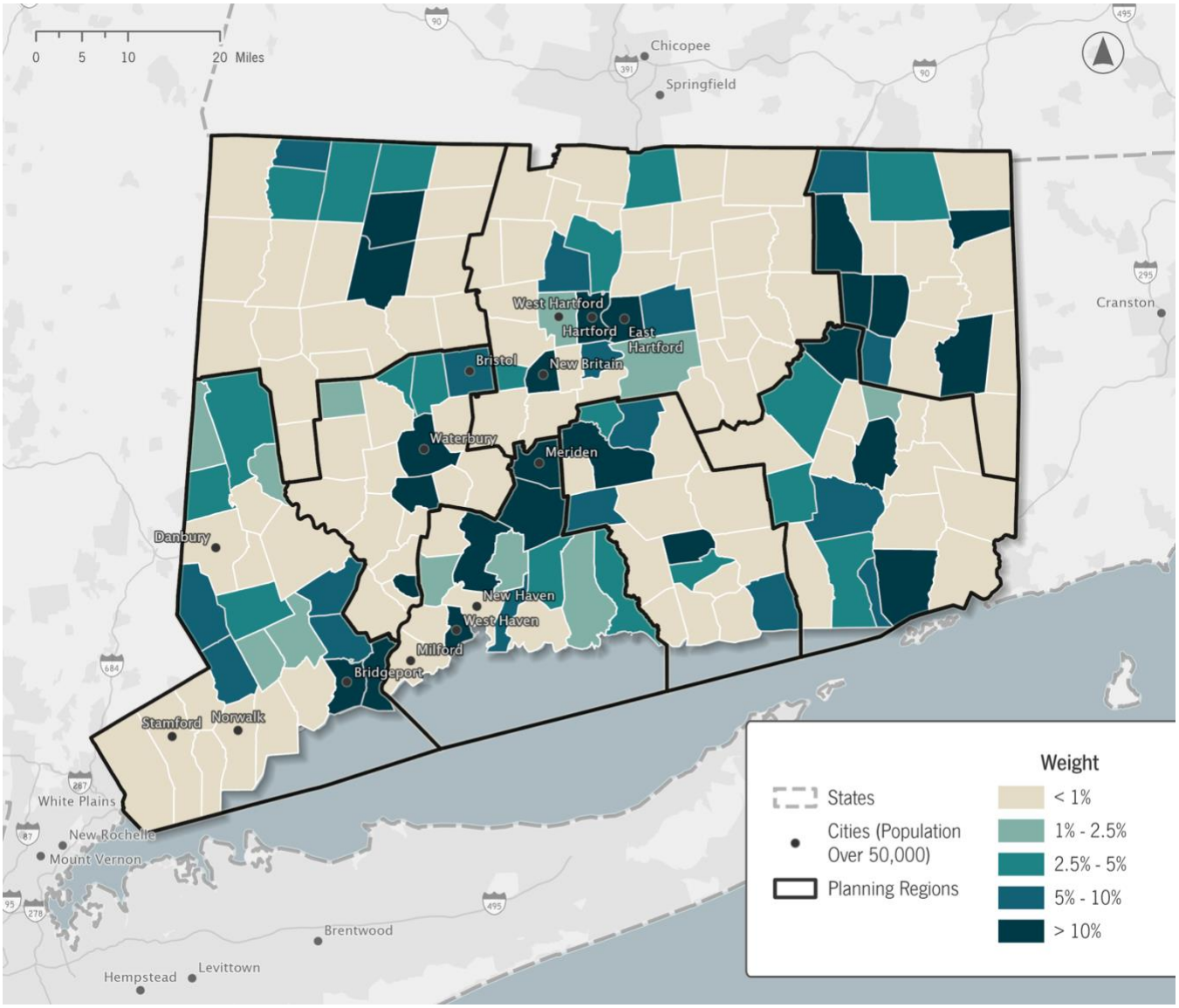
Housing Production

- Data source used: HUD State of the Cities Data Systems (SOCDS), 2013-2023; 2023 ACS 5-year
- Method: This allocation variable calculates housing unit production from 2013-2023 as a percentage of 2023 existing housing units, at the regional and municipal levels (regional and municipal production rates). Then, for each municipality, the allocation variable calculates the number of units needed to have its municipal production rate reach parity with its region's production rate. These nominal totals are then converted to shares of the total number of units needed in the region for each municipality's production rate to equal the region's production rate. Municipalities

with municipal production rates that are higher than the regional production rate are not allocated a share, and municipalities with the largest difference from the regional production rate are allocated the highest share. This share is the weighting factor applied to the total regional housing need.

Figure 14. Map of Housing Production Allocation Factor

Source: ECOnorthwest analysis of HUD State of the Cities Data Systems (SOCDS), 2013-2023; 2023 ACS 5-year



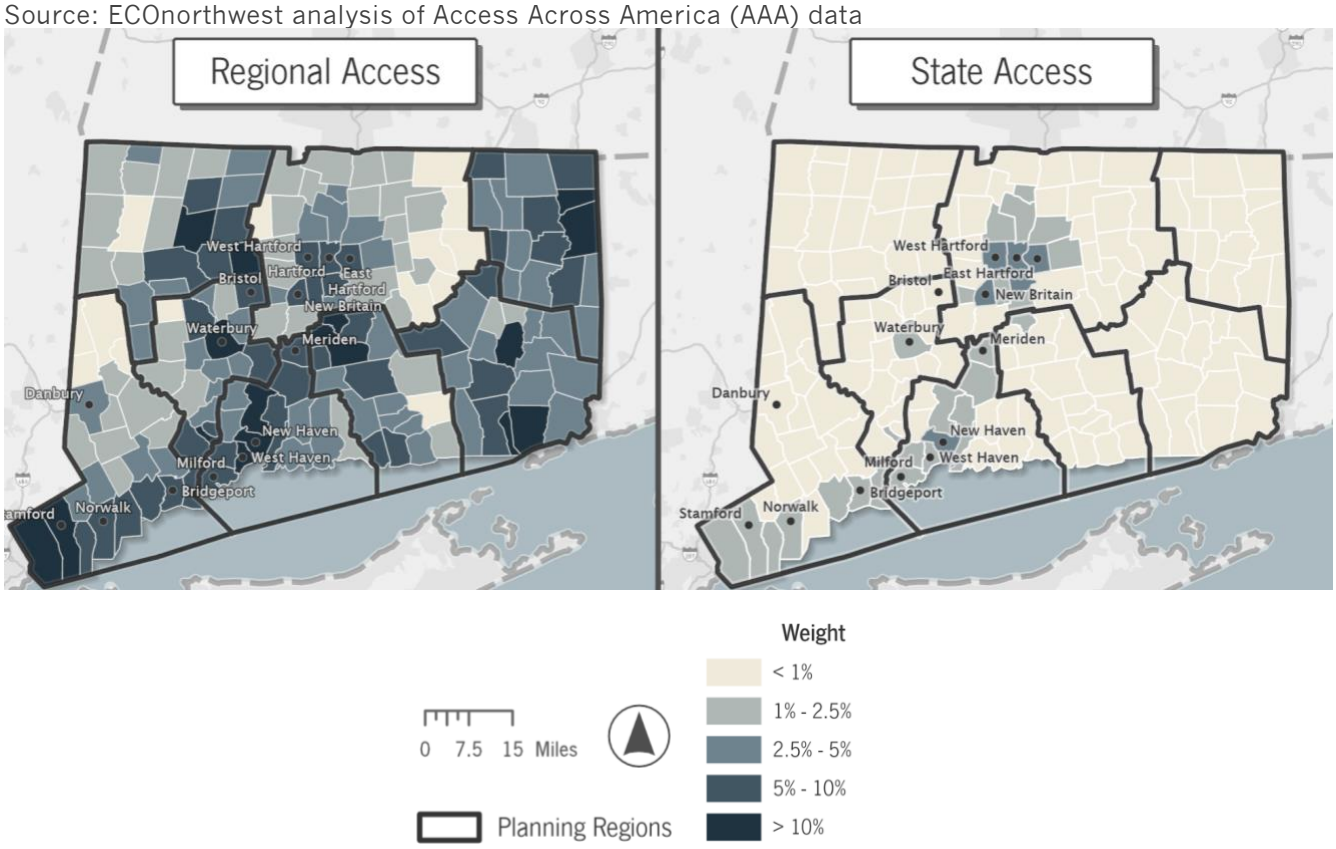
Access to jobs

- Data source used: Access Across America (AAA), University of Minnesota Center for Transportation Studies
- Method: The AAA data used for this component is a nationwide dataset modeling the number of jobs accessible from all U.S. census tracts via a 60-minute transit trip or

30-minute car trip (the maximum trip duration available for each mode). The job totals used in the data's model are from the Census's 2020 Longitudinal Employer-Household Dynamics (LEHD) database. For each municipality, the allocation variable spatially joins the tract-level data to the municipality and calculates the average number of accessible jobs between these two modes. These nominal accessible job totals are then converted to shares of the state total number of accessible jobs. For this measure of accessibility, statewide totals (rather than a regional control total) are used because limiting the number of jobs to those within a region is not an accurate measure of overall accessibility (see Figure 15 below). This share is the weighting factor applied to the total state housing need.

Figure 15. Map of Access to Jobs Allocation Factor (regional and statewide)

Source: ECOnorthwest analysis of Access Across America (AAA) data



Once these allocation methods are calculated, the Alternative Approach B to Allocating Needs averages each municipality's number of allocated units across the three methods to produce the final municipal allocation.

Appendices F-H

Appendix F: Engagement Summaries 2
Appendix G: Presentation to Connecticut General Assembly 4
Appendix H: Summary of Expert Panel Discussions 28

Appendix F: Engagement Summaries

This study was developed and informed via several forms of stakeholder engagement.

Targeted Interviews

At the start of the project, we conducted targeted interviews with local stakeholders and experts in land use, housing policy, real estate development, and affordable housing to aid the development of the methodology. These informative interviews with topical and technical experts enhanced our understanding of housing needs in Connecticut, the policy goals behind the fair share study, context surrounding past legislation, and high-level considerations on methodological approaches.

We conducted 11 one-on-one interviews, 5 were with experts and 6 were with legislators from both parties.

Focus Groups

Throughout the project, we held focus groups with local stakeholders, representatives from the Councils of Governments, and experts in land use, housing policy, real estate development, and affordable housing. This engagement allowed us to engage groups who would be directly involved in any implementation of a fair share or housing needs analysis methodology. These conversations highlighted critical nuances that otherwise could have been overlooked.

We held six focus groups, with two groups meeting three times throughout the project. Representatives from government, quasi government, and the councils of government were in one focus group, and developers, planners, and experts in land use, housing policy, real estate development, and affordable housing were in the second focus group. Focus groups met in November 2024, December 2024, and March 2025 and were updated on the methodology progress and asked to provide input and feedback on the alternatives developed.

Findings

The following themes emerged from stakeholder engagement:

- Connecticut is in the midst of a housing crisis. Nearly everyone agreed that this was the case but disagreed about how to fix it.
- A methodology to estimate housing need is warranted. The target population and allocation details are critical.
- Local capacity to plan and develop new housing varies, with some small towns lacking planning staff.

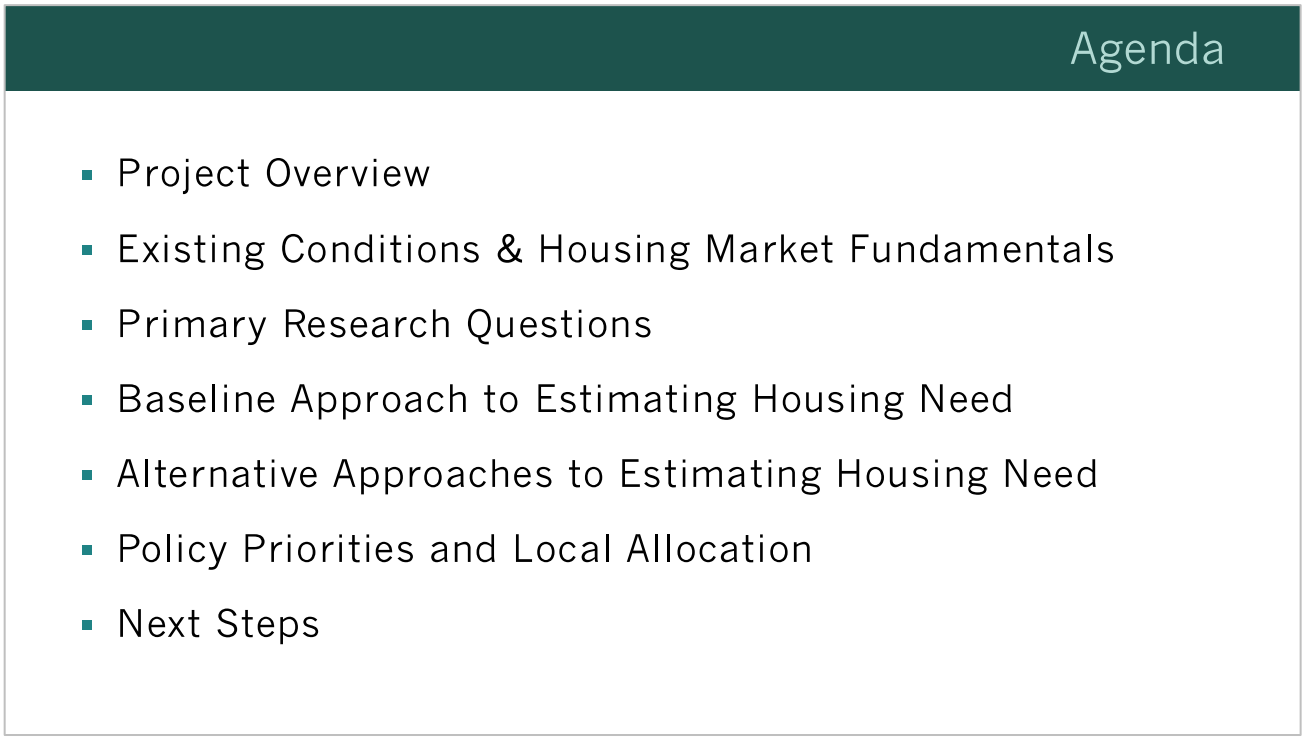
- Infrastructure is a big challenge and prevents meaningful development at scale. An example is how many towns rely on wells.
- The state's population is aging and, in most places, declining. Many young families cannot afford to move to Connecticut. Many older residents do not want new families or children in their neighborhoods.
- Local control over land use planning is strong.
- Connecticut is highly segregated. Most minorities live in urban centers, which have seen significant disinvestment in housing.
- Old and substandard housing is a challenge. Rehabilitation and preservation are needed for substandard housing, particularly in urban centers.

Technical Expert Panel

Engagement with the technical expert panel is described in Appendix .

Appendix G: Presentation to Connecticut General Assembly

This appendix includes the slides presented to the Connecticut General Assembly on January 30, 2025. ***The estimates of housing need in the main body of the report were updated after this presentation was delivered***.



Project Overview

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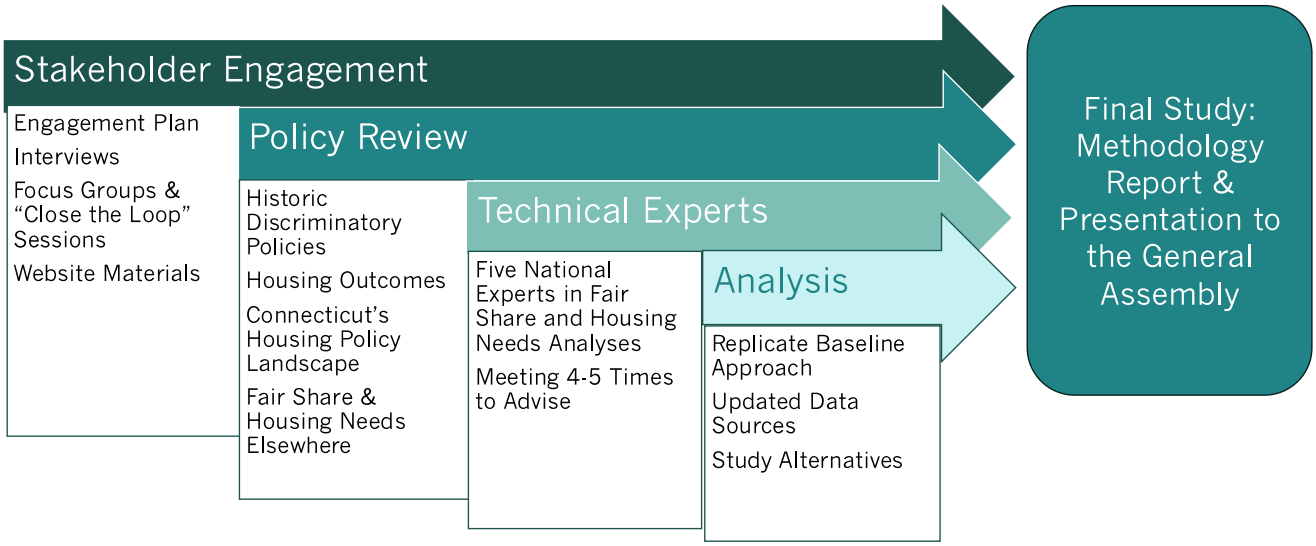
Project Background

- Public Act 23-207 directs the Office of Policy and Management (OPM) to conduct this study
  - Requires an update of a prior model (considered the Baseline Approach)
  - An exploration of alternative approaches to regional need and local allocation
  - A high-level framework for implementation considerations

Project Overview



Project Timeline

	June-July	Aug-Sept	Oct-Nov	Dec-Jan	Feb-Mar	Apr-May
Interviews & Focus Groups						
Background Policy Review						
Housing Needs Methods						
Allocation Methods						
Presentation & Report						

Existing Conditions

7

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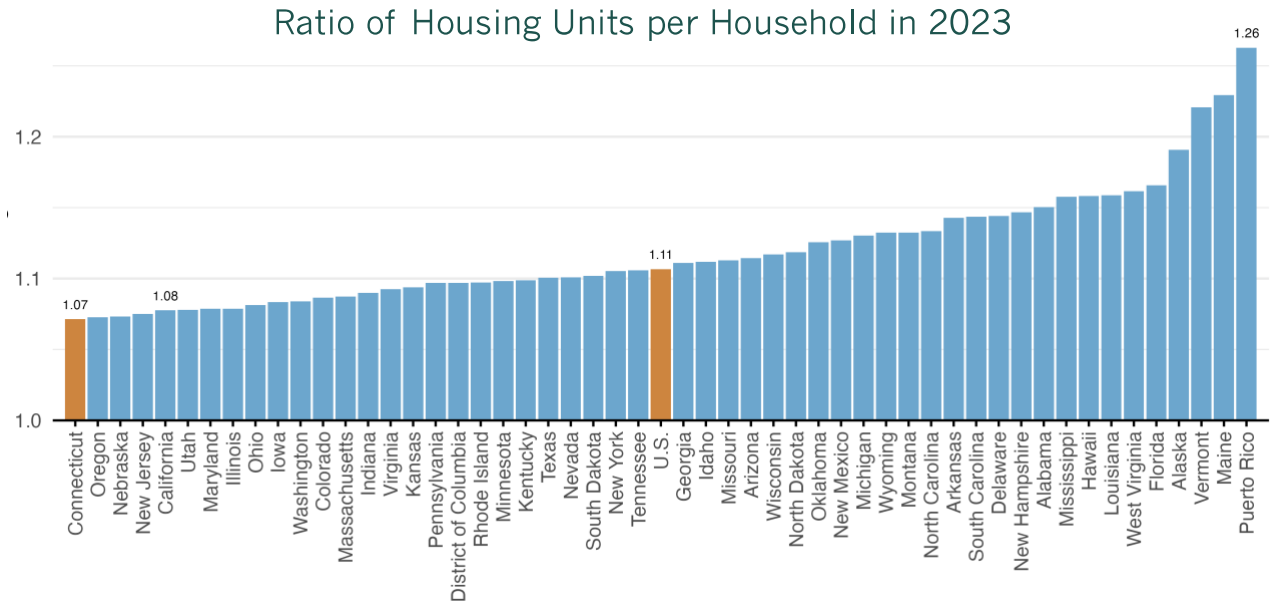
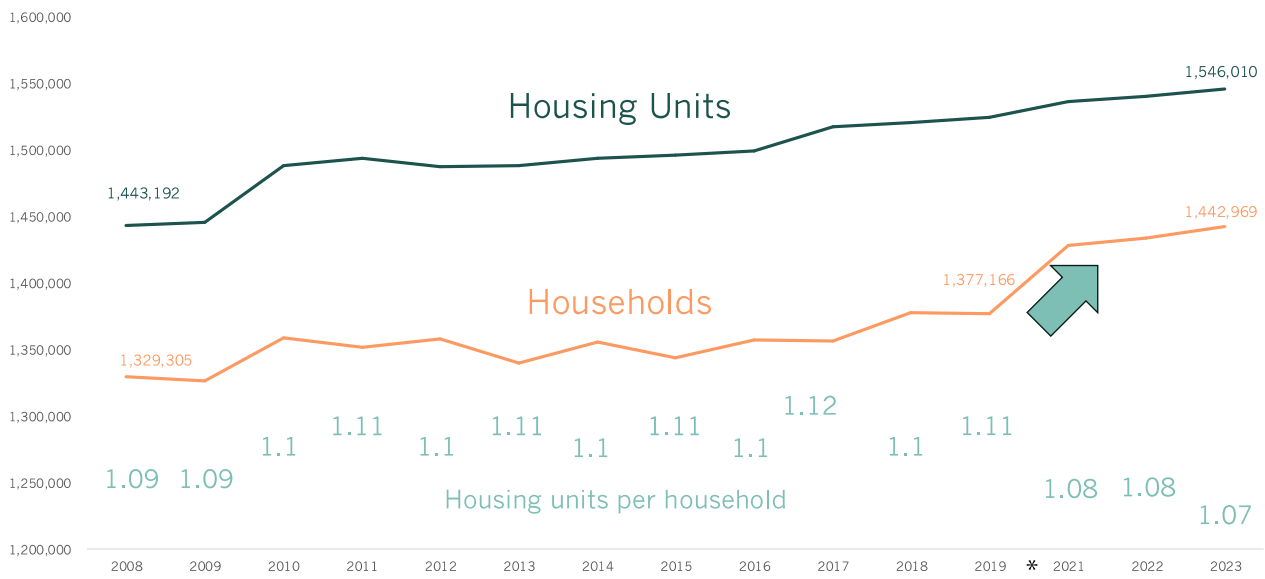
Connecticut is the most constrained housing market nationally



Source: Census 1 Year ACS

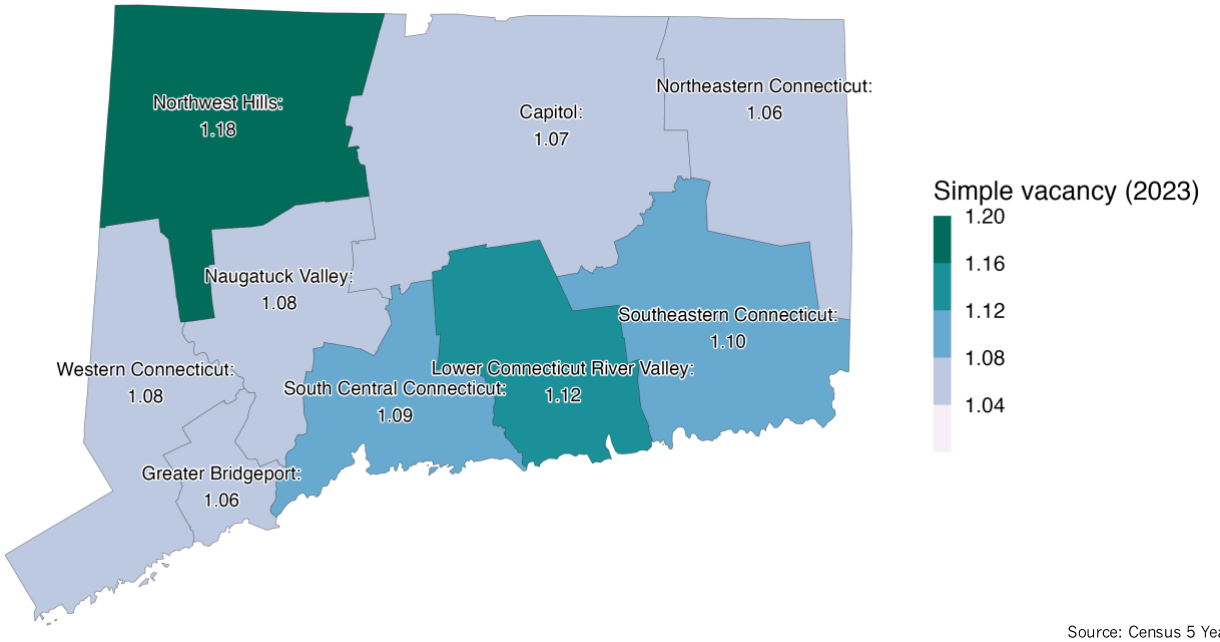
Vacancy rate has declined due to pandemic related HH formation



Source: Census 1 Year ACS

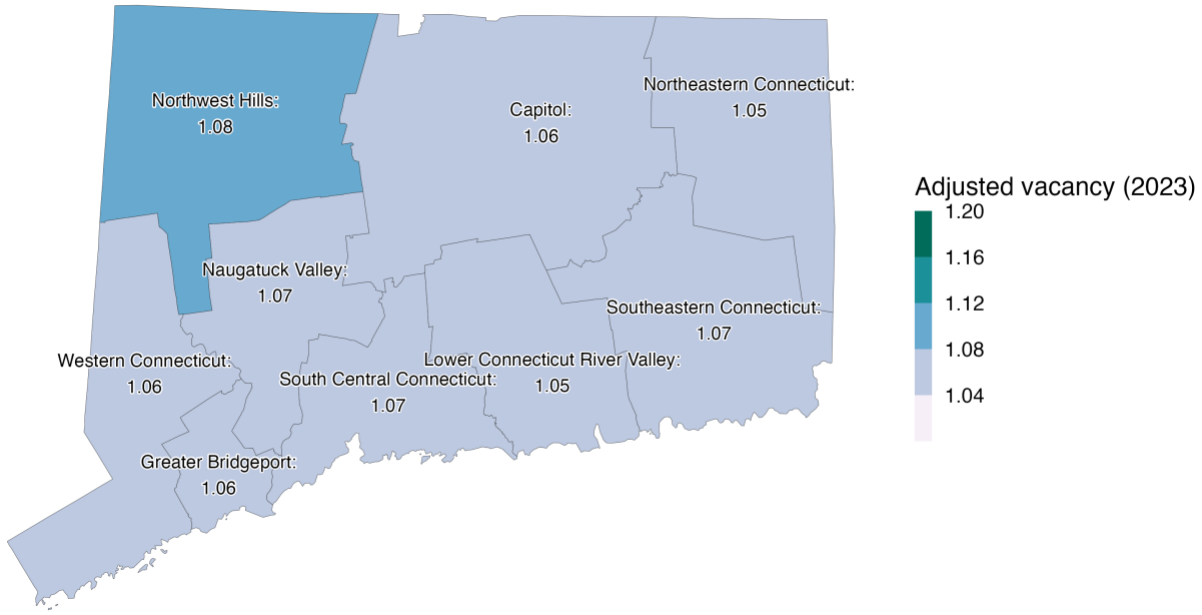
Note: 2020 excluded due to data unreliability

Ratio of housing units to households varies across the state



Source: Census 5 Year ACS

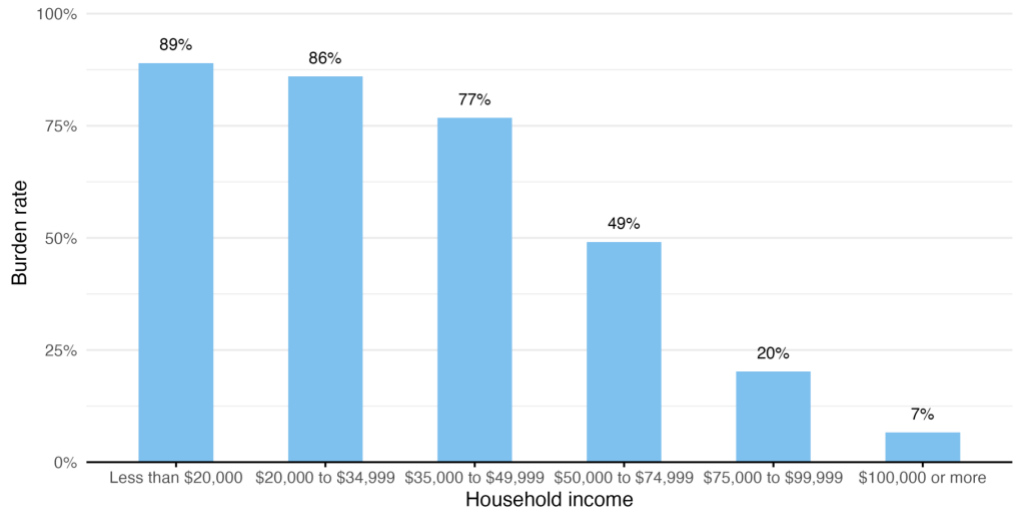
Removing second and vacation homes reveals similar conditions statewide



Source: Census 5 Year ACS

More than half of renter households earning less than 50k are burdened

Share of cost burdened renters in Connecticut, by income in 2023



Renter Cost Burdening Rates

Hartford – 60%
Bridgeport – 59%
New Haven – 56%
Stamford – 52%
Norwalk – 49%

Cost burdened households spend more than 30% of their gross income on rent

Source: Census ACS, 2023 1-year sample, Census ACS, 2023 5-year sample

Housing Market Fundamentals

13

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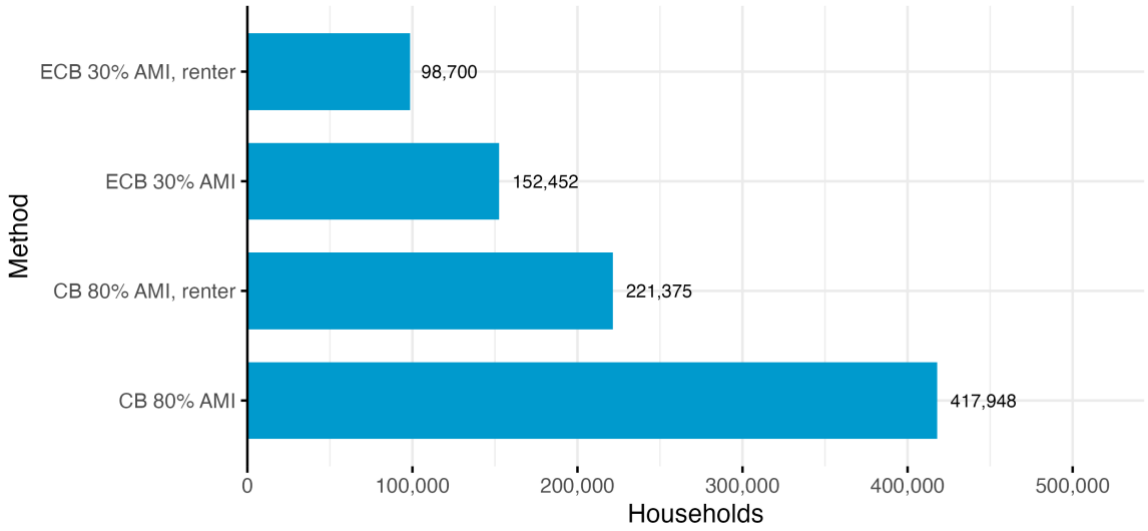
What is the Target Population of Interest?

Cost burdened households statewide in Connecticut

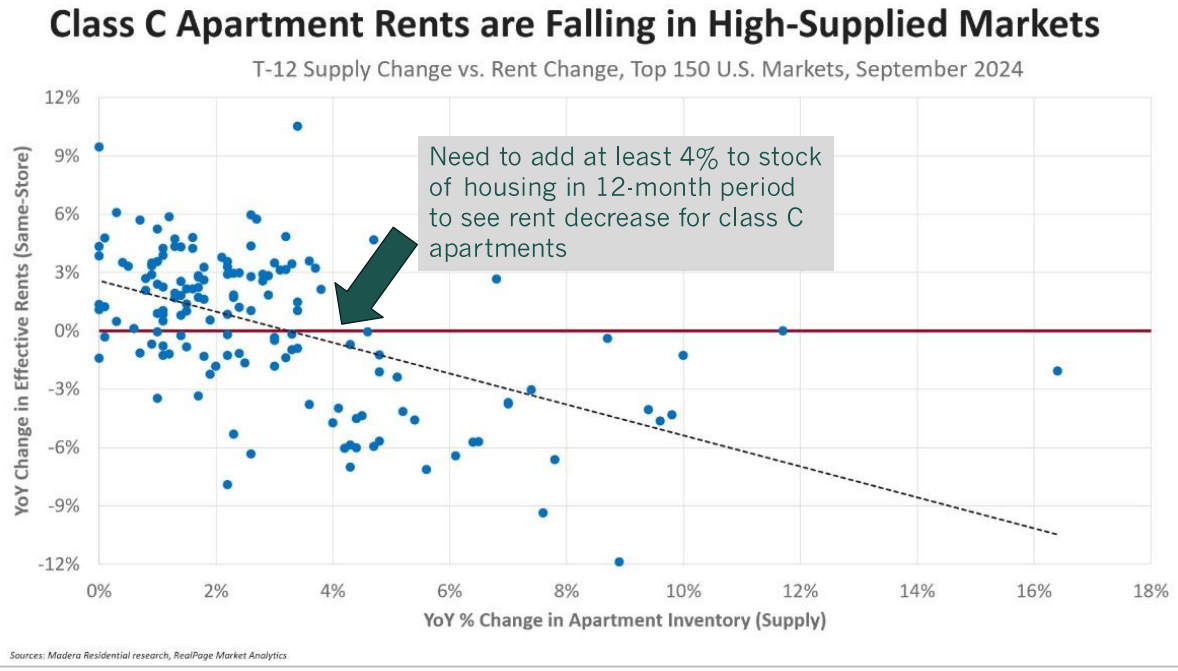


Source: 2022 PUMS 1-year

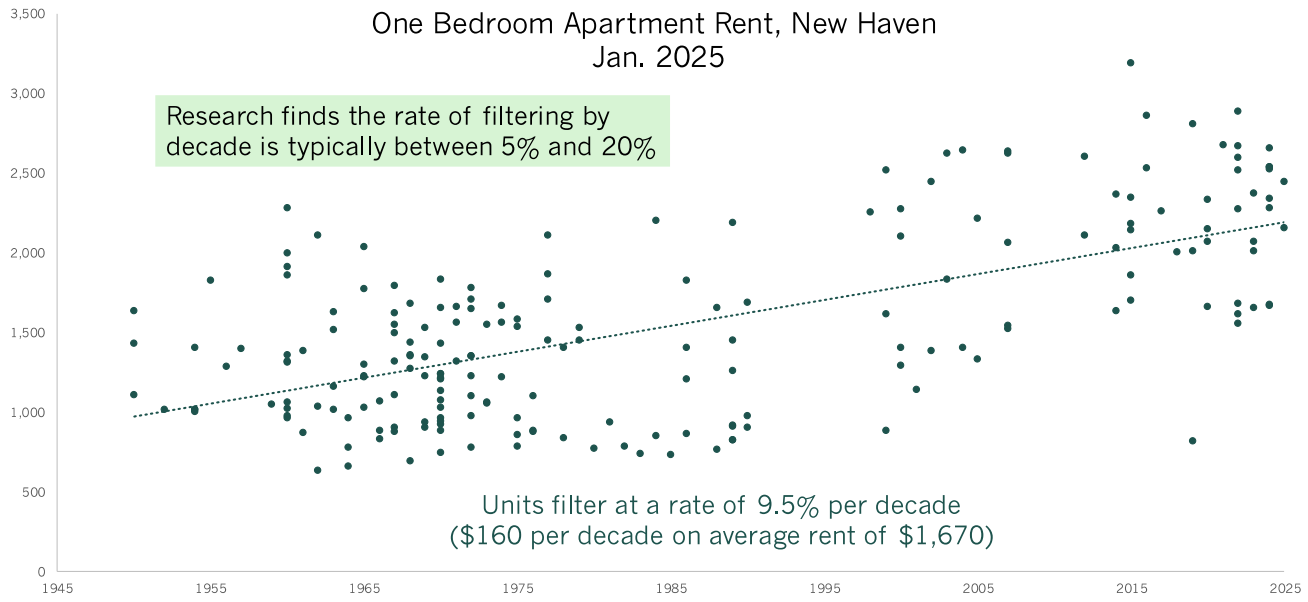
How does increasing supply impact affordability?

1. Elasticity
   The relationship between supply and price, building more units delivers some broad-based price/rent reduction
2. Filtering
   Depreciation of older housing stock over time, the rate at which this happens is determined by the vacancy rate and the amount of new construction
3. Income Sorting / Mismatch
   Households rarely spend exactly 30% of their income on housing, households that spend less crowd out lower income households, causing increased cost burdening—the availability of units is a big contributor to lack of affordability

Building market rate housing only offers short-run rent relief



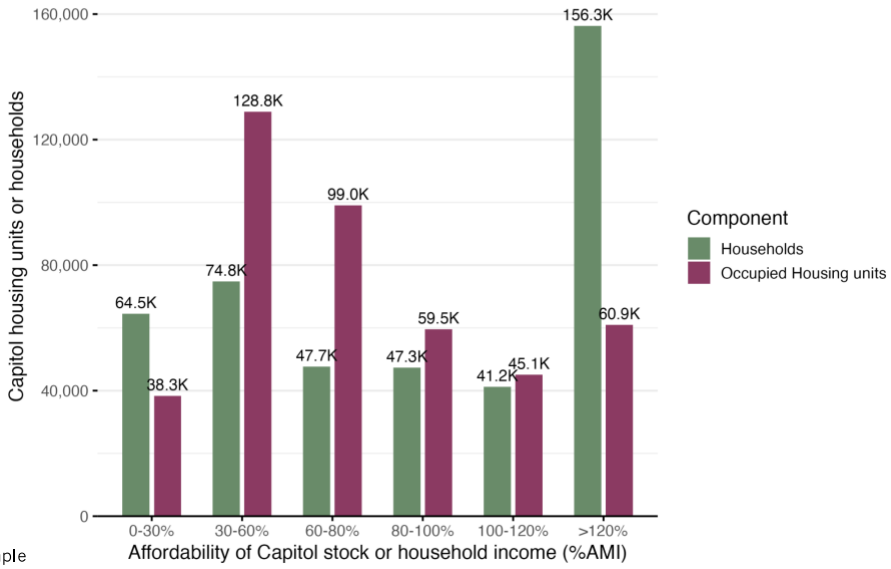
Apartment filtering is slow in parts of state with large production



Source: CoStar

Within a regional housing market, low-income structural mismatch

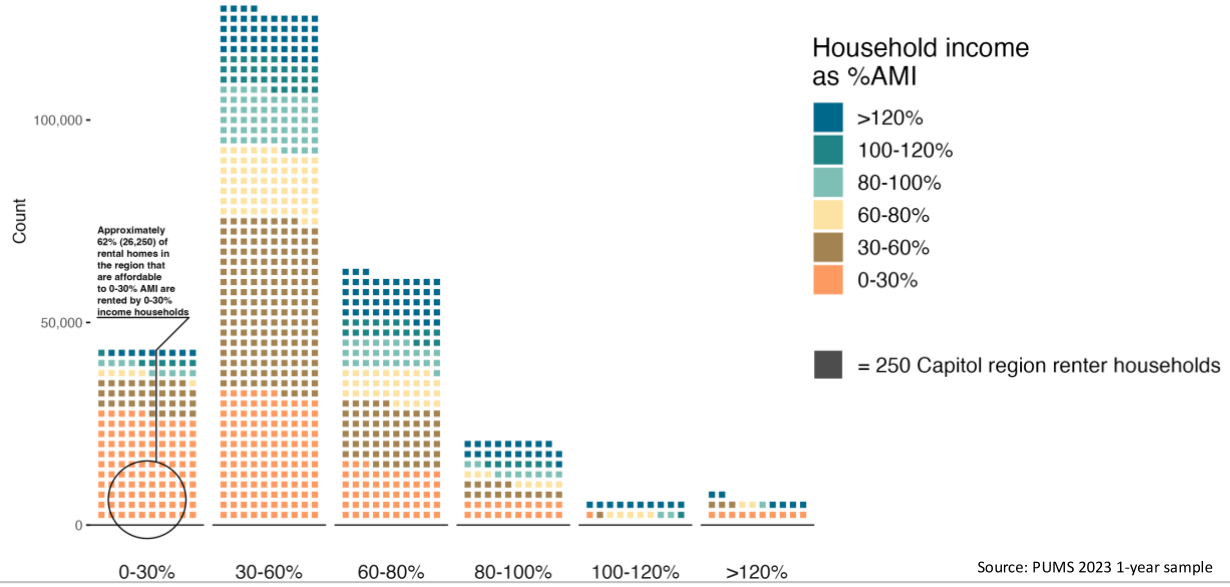
Comparing Rental Unit Affordability to Household Income of Residents
Capitol Region, Connecticut, 2023



Source: PUMS 2023 1-year sample

Renter households do not sort perfectly based on income, leads to cost burdening

Comparing Rental Unit Affordability to Household Income of Residents
Capital Region, Connecticut, 2023



Source: PUMS 2023 1-year sample

Primary Research Questions & What is Done Elsewhere

20

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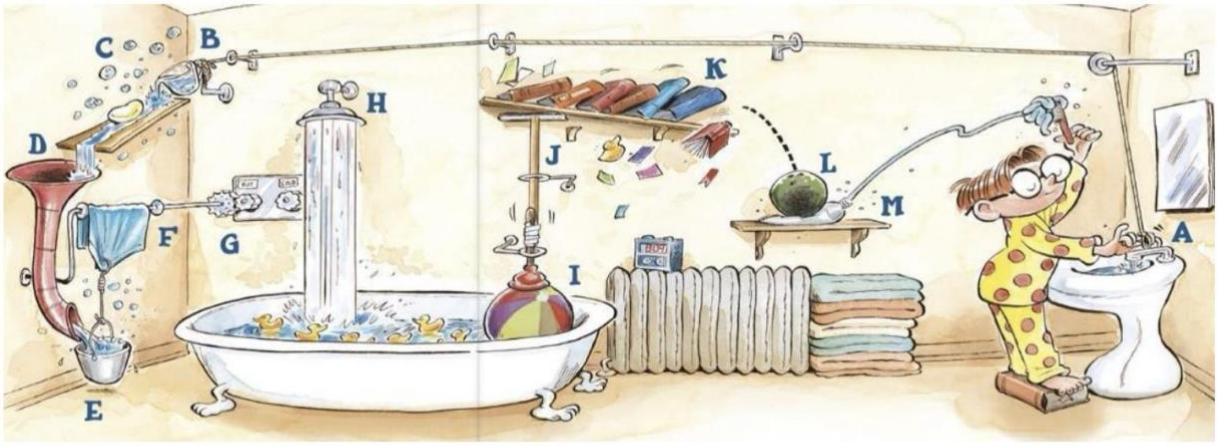
What is fair share?

- Fair share is a policy approach to affordable housing grounded in the 1975 New Jersey Supreme Court ruling that that each municipality has a constitutional obligation to provide a realistic opportunity for the construction of their fair share of affordable housing
- In 2024 New Jersey under Senate Bill 50 and Assembly Bill 4 modified their process for determining and enforcing municipalities' affordable housing obligations
- Other states have enacted similar approaches generally referred to Regional Housing Needs Analysis, including California, Oregon, and Washington

Goal is to avoid complexity

Goal is to avoid building something complex and difficult to interpret



How to Put Toothpaste on a Toothbrush just like Rube Goldberg!

An iterative process, took 5+ years in Oregon to produce first official target

Oregon Capital Chronicle

POLITICS ENVIRONMENT EDUCATION ECONOMY HEALTH CRIMINAL JUSTICE

ECONOMY HOUSING

Oregon needs to build 29,500 more homes each year, chief economist says

BY: JULIA SHUMWAY - JANUARY 28, 2025 5:45 AM

Gov. Tina Kotek has set a goal of building 36,000 new homes a year – nearly double the average number of homes built in Oregon in recent years. (Dan Reynolds Photography/Getty Images)

Primary Research Questions

1. What are the biggest housing challenges facing Connecticut residents?
2. Should the state look at housing needs for specific segments of the population or the entire population?
3. What policy context should a fair share approach take into consideration?

Limitations to fair share approach

- What is an appropriate timeframe to measure and update?
- Doesn't consider other tools that can impact affordability (Vouchers or preservation)
- Focuses efforts on ground up construction (excludes conversions)
- State has constrained resources to fund affordable housing

Baseline Approach to Estimating Regional Housing Need

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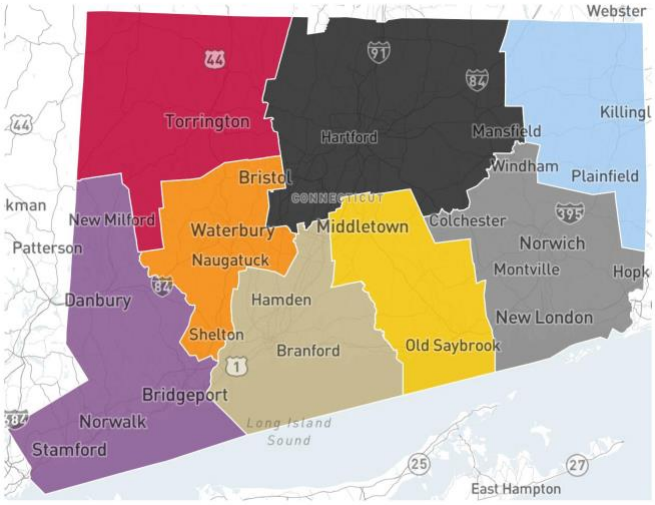
Study regions



Existing Methodology: 2020 vs Updated (2022) Draft Results

Housing Region	Total Households			Lower Income Households			Current Need (Gross Fair Share), (affordable housing units)		
	2020	2022	Change	2020	2022	Change	2020	2022	Change
Capitol	378,395	394,873	16,478	157,750	167,994	10,244	36,498	36,713	215
Lower CT River Valley	71,592	74,252	2,661	25,070	28,710	3,640	5,283	5,655	372
Metropolitan & Western Regions Combined	339,015	358,460	19,445	124,542	137,963	13,421	35,365	35,408	43
Naugatuck Valley	173,570	181,114	7,544	76,895	83,230	6,335	17,822	18,413	591
Northeast CT	37,965	38,759	794	15,525	17,166	1,641	2,750	2,888	138
Northwest Hills	45,290	48,363	3,073	18,456	19,322	866	3,498	3,762	264
South Central	223,938	230,252	6,314	102,789	102,590	-199	25,889	24,278	-1,610
Southeastern CT	111,070	113,747	2,678	49,765	53,475	3,710	10,200	9,128	-1,072
Connecticut	**1,380,834**	**1,439,820**	**58,986**	**570,792**	**610,450**	**39,658**	**137,304**	**136,246**	**-1,058**

Alternative Approaches to Estimating Housing Need

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Expert Technical Panel

David Garcia
Up for Growth
(formerly Terner Center)

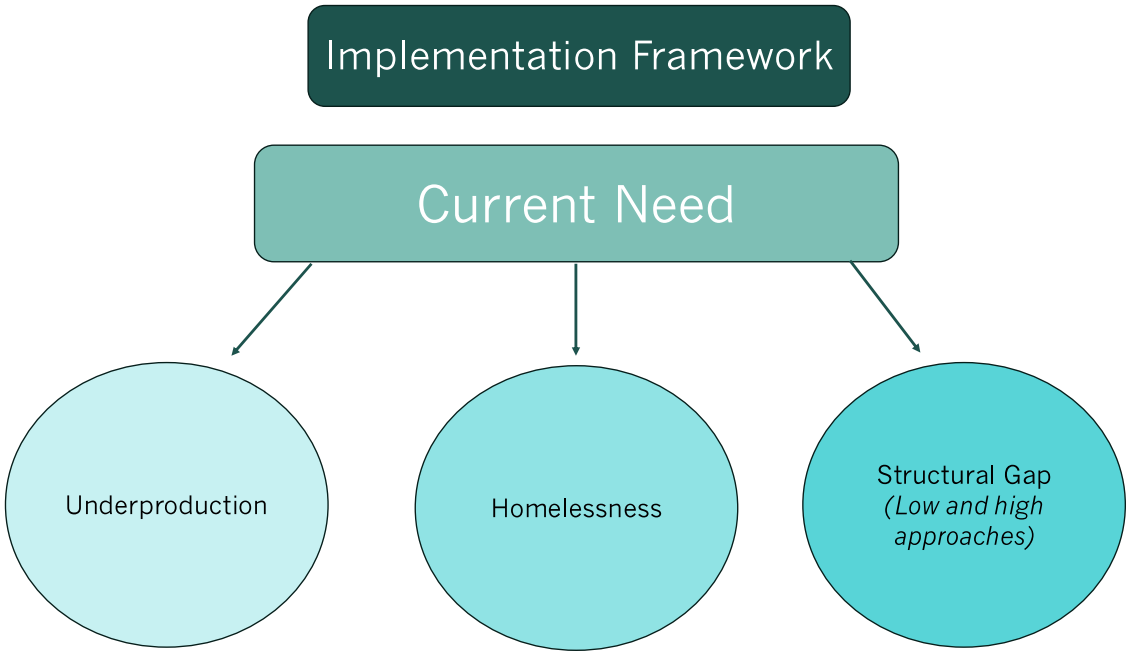
Yonah Freemark, Ph.D
Urban Institute

Noah Kazis, JD
U of Michigan

Nick Marantz, Ph.D.
UC Irvine

Jenny Schuetz, Ph.D.
Arnold Ventures
(formerly Brookings)

Identified 3 Components of Regional Need – Two approaches



What is Housing Underproduction?

Demand

$$\left[\begin{array}{c}\text{Households}\\ +\\ \text{Missing Households}\end{array}\right] \times 1.05 \text{ (1+ Target Vacancy Rate)}$$

TARGET NUMBER OF HOUSING UNITS

Supply

$$\left[\begin{array}{c}\text{Total Housing Units}\\ -\\ \text{2nd and Vacation Homes}\\ -\\ \text{Uninhabitable Units}\end{array}\right]$$

UNITS THAT ARE RENTER OR OWNER OCCUPIED

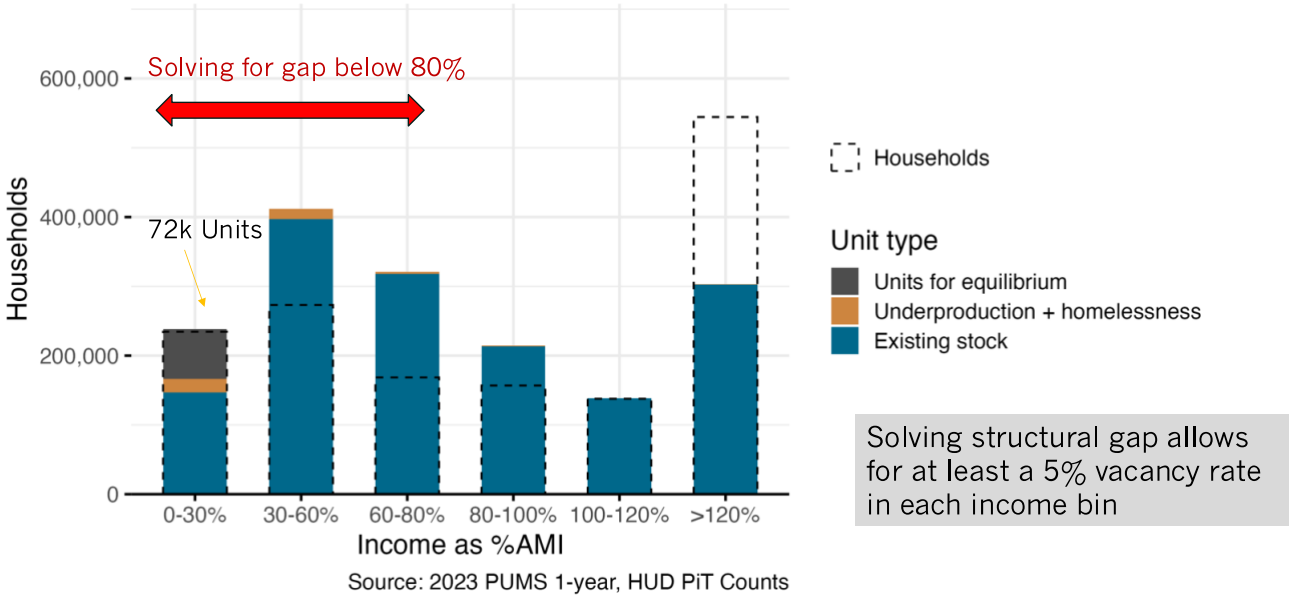
Assigned to income bins based on distribution of cost burdened renter households

Building units for people experiencing homelessness

- Not counted in the measure of underproduction
- Use most recent Point in Time counts
- Assign statewide total to regions based on share of households earning 0-30% of AMI

Approach #1 solve for structural gap below 80% of AMI

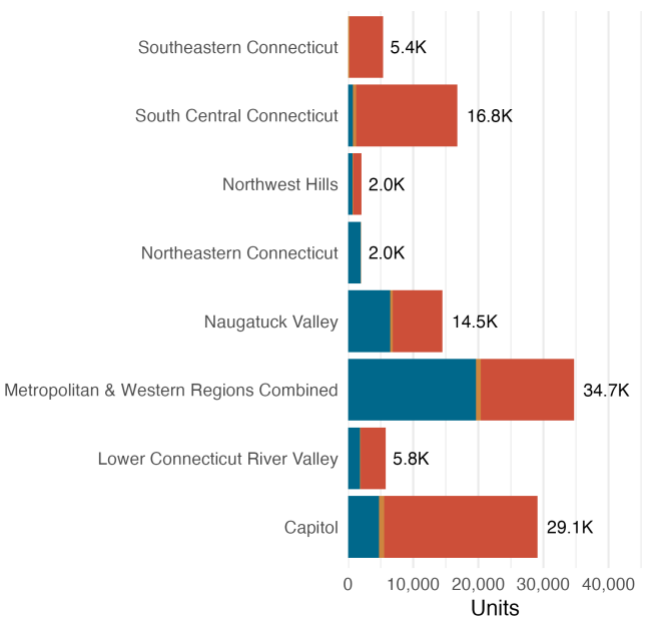
Statewide structural gap: Unit affordability vs. household income



Source: 2023 PUMS 1-year, HUD PiT Counts

Solving structural gap allows for at least a 5% vacancy rate in each income bin

Results by region and income distribution for approach #1



Underproduction (36k Units)

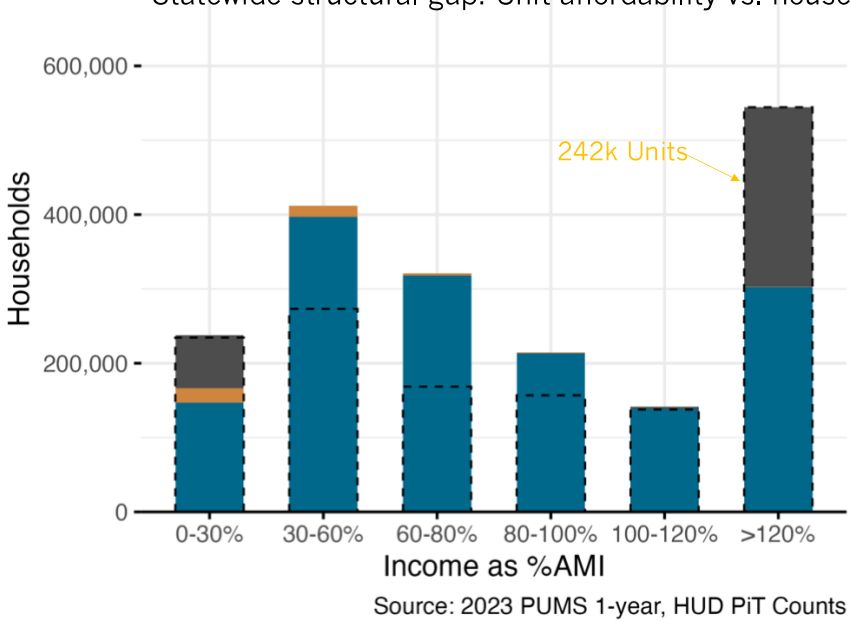
Homelessness (3k units)

Structural Gap (72k units)
(Less than 80% AMI)

INCOME LEVEL	# OF UNITS	% OF UNITS
0-30%	91,089	82.3%
30-60%	14,650	13.2%
60-80%	3,047	2.8%
80-100%	860	0.8%
100-120%	406	0.4%
>120%	650	0.6%
Total	110,702	100.0%

Approach #2 solve for structural gap at all income levels

Statewide structural gap: Unit affordability vs. household income



Source: 2023 PUMS 1-year, HUD PiT Counts

Households

Unit type

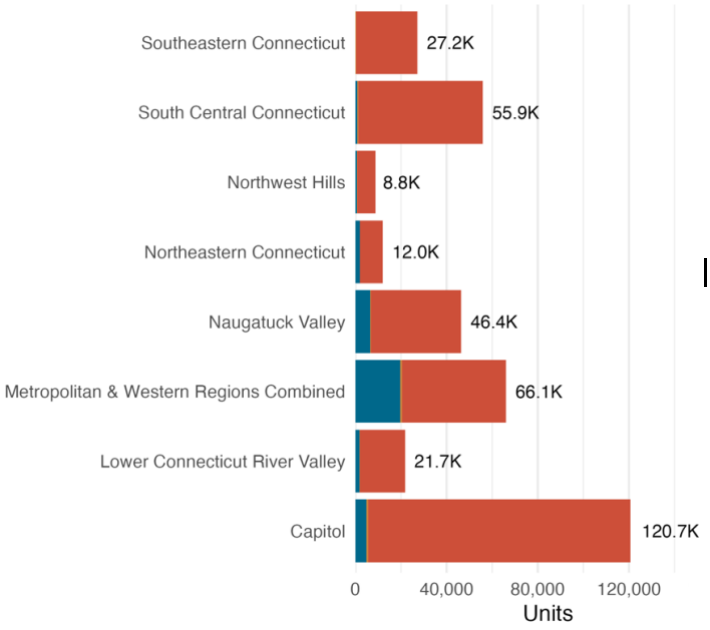
Units for equilibrium

Underproduction + homelessness

Existing stock

Solving structural gap allows for at least a 5% vacancy rate in each income bin

Results by region and income distribution for approach #2



Underproduction (36k Units)

Homelessness (3k units)

Structural Gap (242k units)
(All income levels)

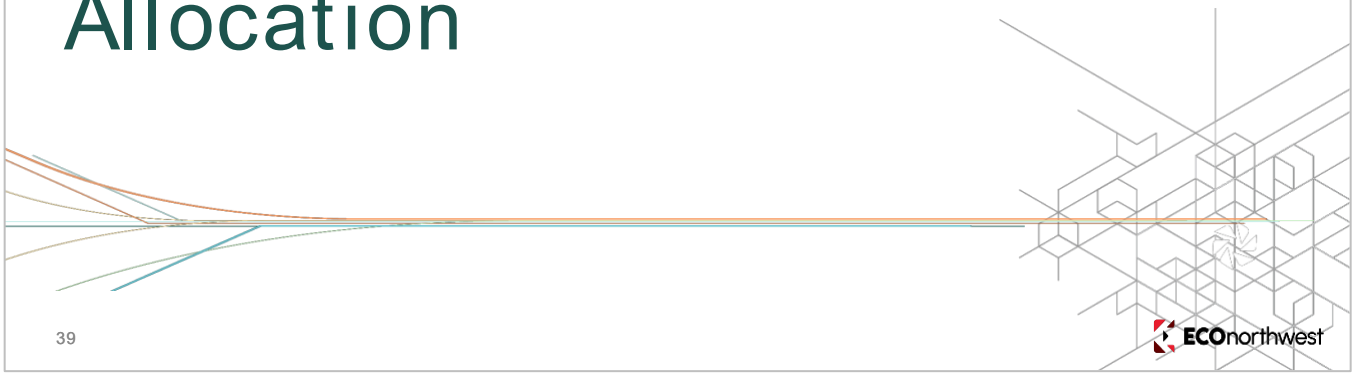
Increases total need to 359k Units

INCOME LEVEL	# OF UNITS	% OF UNITS
0-30%	91,089	25.4%
30-60%	14,650	4.1%
60-80%	3,047	0.8%
80-100%	1,405	0.4%
100-120%	6,732	1.9%
>120%	241,964	67.4%
TOTAL	358,887	100.0%

Comparison of regional need by approach

REGION	APPROACH 1 (ROUNDED)	APPROACH 2 (ROUNDED)	% DIFFERENCE
Capitol	30,300	120,700	400%
Lower Connecticut River Valley	6,000	21,700	360%
Metropolitan & Western Regions Combined	35,700	66,100	190%
Naugatuck Valley	12,700	46,400	370%
Northeastern Connecticut	2,000	12,000	600%
Northwest Hills	700	8,800	1260%
South Central Connecticut	17,400	55,900	320%
Southeastern Connecticut	5,900	27,200	460%
Total	110,700	358,900	320%

Policy priorities and Local Allocation



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Approach to allocating regional need to local jurisdictions

- Need will be estimated at the regional level, then allocated to all municipalities in the region (a.k.a. fair share)
- Several example from states with adopted housing needs analyses & allocation methodologies
- Goal is to ground the approach in local policy context
- Prioritization will then need to select variables that operationalize policy priorities
- Limited by data availability

Considerations for Local Allocation Approaches

- Not all variables can be easily measured statewide
  - Land capacity
  - Barriers to development
  - Availability of infrastructure
- Some variables will be inverse-weighted
  - E.g., areas with high vacancy rates would get lower allocation
- Methodologies can quickly become complex
  - Multiple potential proxies for different components need
  - Weights assigned to variables
- Goal is to keep it simple and with data that is regularly updated

Local allocation approach for baseline methodology

- Allocates units based on a town's average of four factors:
  - Share of the region's valuation of taxable property,
  - Share of the regional household income differences,
  - Poverty rate
  - Share of the housing stock that is multifamily housing

- Screens out highest poverty towns (to avoid concentrating poverty) and reallocates to the remainder

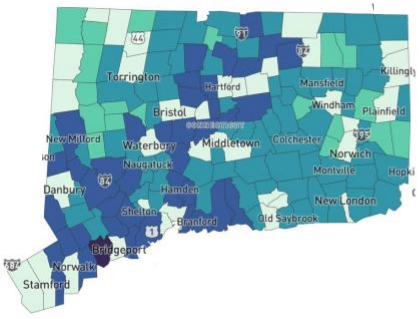
- Caps allocation to less than 20% of the existing stock and then reallocates to the remainder

Potential options identified for measuring policy priorities

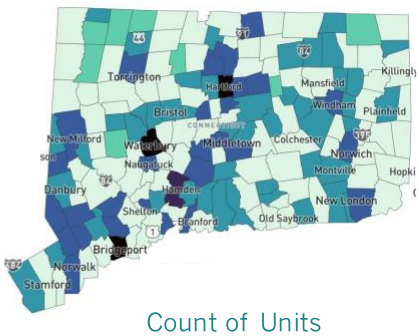
- Production
  - Producing above regional average over past 10 years
- Affordability
  - Share of Regional Average rental units below 50% AMI
  - Household crowding
- Accessibility
  - Transit access to jobs
  - Walkability
  - Live/work balance

Example local allocation approach using different priorities

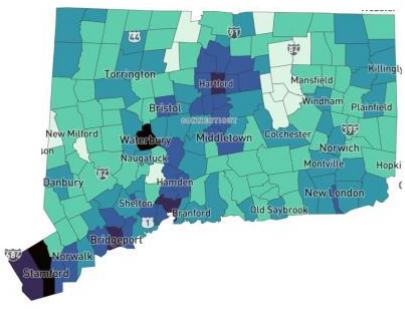
Affordability



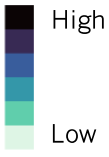
Production



Access to Jobs
(Walk and Transit)



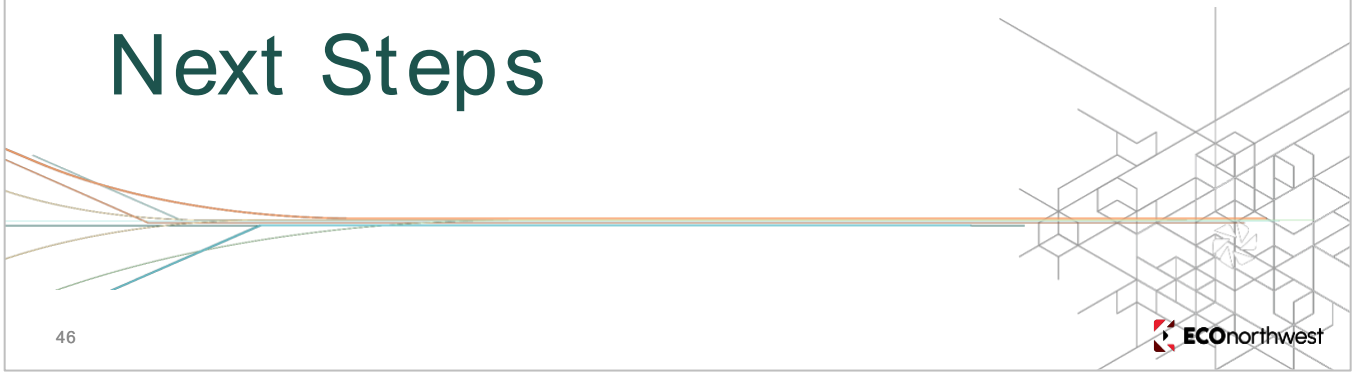
Count of Units



Feedback on Local Allocation

1. Thoughts on the proxies as appropriate measures of the policy priority variables?
2. Are there any missing policy variables?
3. Are equally weighted variables a reasonable approach?
4. Should there be any control totals, such as 20% of stock in the baseline model?

Next Steps



Next Steps

- "Close the Loop" Focus Group Session: February
- Final Expert Tech Panel Meeting in February
- Finalize approaches to regional need and local allocation
- Report published: Spring 2025

wilkerson@econw.com

miller@econw.com

ECOnorthwest

Los Angeles

Portland

Seattle

Boise

Appendix H: Summary of Expert Panel Discussions

The technical expert panel met virtually five times over the course of the study.

Meeting 1: September 4, 2024

Meeting Objectives:

1. Orient the panel to the project
2. Understand Baseline Approach to Estimating Needs and preview results
3. Solicit perspectives and research knowledge on fair share housing methodologies

Agenda Items:

- Overview
    - Introductions, Agenda, Meeting Purpose
    - Background on Fair Share Study
    - Project (timeline, research questions, early interview findings, end products)
- Discussed Baseline Approach to Estimating Needs (variables used, data challenges in Connecticut)
- Discussed best practices in other states (other methods to achieve policy goals, implementation considerations)

Meeting 2: October 9, 2024

Meeting Objectives:

1. Continue discussions of Alternative Approaches to Estimating Needs
2. Discuss statewide implementation factors that should be considered in a methodology
3. Begin discussion on local allocation

Agenda Items:

- Continued discussion of approaches to estimating needs (Baseline and early Alternatives)
- Discussed statewide implementation considerations (policy goals, comments from focus groups and interviews)
- Discussed local allocation approaches (Baseline and early alternative approaches)

Meeting 3: November 14, 2024

Meeting Objectives:

1. Continue discussions on local allocation
2. Continue discussions on statewide implementation factors that should be considered in a methodology

Agenda Items:

- Reviewed results from Alternative Approaches to Estimating Needs
    - Comparison to Baseline Approach to Estimating Needs results
- Continued discussion of Alternative Approaches to Allocating Needs and policy context

Meeting 4: January 10, 2025

Meeting Objectives:

1. Final discussion of bookend ranges of Approaches to Estimating Needs
2. Continue discussions on local allocation, share input from local parties (focus group participants)
3. Continue discussions on statewide implementation factors that should be considered in a methodology

Agenda Items:

- Final discussion of bookend ranges of Approaches to Estimating Needs
    - Two alternative approaches
    - One preferred approach
    - Slides and context for legislative presentation
- Continued discussion of local allocation approaches and policy context
    - Review focus groups comments and priorities
    - Slides and context for legislative presentation

Meeting 5: February 27, 2025

Meeting Objectives:

1. Recap legislative presentations on statewide housing need
2. Finalize Alternative Approaches to Estimating Needs for report
3. Finalize allocation variables
4. Show local results on all approaches
5. Discuss path to completion

Agenda Items:

- Final discussion of Alternative Approaches to Estimating Need
    - Review feedback from in-person discussion/comments/priorities
- Continued discussion of Alternative Approaches to Allocating Need and policy context
    - Review feedback from in-person discussion/comments/priorities
    - Review results with new datasets
    - Review results combined